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State of Washington
Department of Social and Health Services

Recommendation Summary

Budget Period:2005-07

Version: 31 - 05-07 Agncy Req 2007 Sup wCB RPT

Dollars in Thousands	Program Priority	Annual Avg FTEs	General Fund State	Other Funds	Total Funds
Program 080 - Medical Assistance					
M1 - Mandatory Caseload and Enrollment Changes					
93 Mandatory Caseload Adjustments	0	0.0	(26,443)	(65,191)	(91,634)
94 Mandatory Workload Adjustments	0	10.5	239	1,190	1,429
SubTotal M1		**10.5**	**(26,204)**	**(64,001)**	**(90,205)**
Cumulative Total Thru M1		**10.5**	**(26,204)**	**(64,001)**	**(90,205)**
M2 - Inflation and Other Rate Changes					
3J Utilization and Other Rate Changes	0	0.0	28,129	25,449	53,578
8M Mileage Rate Adjustments	0	0.0	2	7	9
8P Postage Rate Adjustments	0	0.0	20	17	37
9T Transfers	0	(0.5)	(406)	(24)	(430)
VT OB-2 Rehabilitation	0	0.0	7	0	7
WA DDDS GF-State Disability Funding	0	0.0	525	0	525
WB Provider One Funding	0	3.5	428	907	1,335
WC Provider Background Checks	0	0.0	18	18	36
WD CPE Program Update	0	0.0	29,352	(28,294)	1,058
WE Managed Care Federal Audit	0	2.0	314	563	877
WG AEM Questioned Costs - OIG Audit	0	0.0	17,910	0	17,910
SubTotal M2		**5.0**	**76,299**	**(1,357)**	**74,942**
Cumulative Total Thru M2		**15.5**	**50,095**	**(65,358)**	**(15,263)**
PL - Performance Level					
VS DRA - Citizenship Verification	0	19.1	1,327	1,325	2,652
WF Vaccine Gap Coverage	0	0.0	2,853	9,550	12,403
SubTotal PL		**19.1**	**4,180**	**10,875**	**15,055**
Cumulative Total Thru PL		**34.6**	**54,275**	**(54,483)**	**(208)**
Total Proposed Budget for Program 080 - Medical Assistance		**34.6**	**54,275**	**(54,483)**	**(208)**

DP Code/Title: M1-93 Mandatory Caseload Adjustments
Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H3 080 2005-07 Agency Request 2007 Sup

Recommendation Summary Text:

This request reduces the program budget by $91,634,000 (total funds) as a result of the reduced projected caseload costs identified in the medical assistance maintenance level forecast for Fiscal Year 2007.

Fiscal Detail:

Operating Expenditures	FY 1	FY 2	Total
Overall Funding			
001-1 General Fund - Basic Account-State	0	(26,443,000)	(26,443,000)
001-2 General Fund - Basic Account-Federal	0	(197,000)	(197,000)
001-C General Fund - Basic Account-DSHS Medicaid Federa	0	(46,674,000)	(46,674,000)
760-1 Health Services Account-State	0	(18,320,000)	(18,320,000)
Total Cost	**0**	**(91,634,000)**	**(91,634,000)**

Staffing

Package Description:

This request reduces the program budget by $91,634,000 (total funds) as a result of the reduced projected caseload costs identified in the medical assistance maintenance level forecast for Fiscal Year 2007.

Projected costs are based on calculations of the incremental change in the monthly numbers of eligible persons between the February 2006 Caseload Forecast and the June 2006 Caseload Forecast for Health and Recovery Services Administration (HRSA) medical assistance programs. Changes in the forecasted count of eligible persons were multiplied by the February 2006 forecast monthly per capita costs to provide an estimate of net change in spending related to these caseload changes. Per capita costs and changes in eligible persons were calculated for each forecasted eligibility category.

The methodology used is intended to isolate the costs attributable only to the changes in forecasted client caseloads and thus reflects changes in needed funding resulting from current program policies.

Although the overall caseload is forecasted to drop in Fiscal Year 2007, there are some populations where caseload continues to grow therefore; there will be certain funding sources for which the program will require increased funding. As an example, this request asks for additional funding in General Fund - State, but gives back funding for the Health Services Account.

Narrative Justification and Impact Statement

How contributes to strategic plan:

This step contributes to the agency's strategic plan by ensuring that HRSA Medical Assistance clients continue to have access to quality health care.

Performance Measure Detail

Agency Level

Activity: H056 Mandatory Medicaid Program for Children and Families	Incremental Changes FY 1	FY 2
Output Measures		

DP Code/Title: M1-93 Mandatory Caseload Adjustments

Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H3 080 2005-07 Agency Request 2007 Sup

HB10 Cumulative fiscal year average monthly enrollment of children in MAA programs.	0.00	0.00

Activity: H057 Medicaid for Optional Children

	Incremental Changes FY 1	FY 2
Output Measures		
HB10 Cumulative fiscal year average monthly enrollment of children in MAA programs.	0.00	0.00

Activity: H089 SCHIP

	Incremental Changes FY 1	FY 2
Output Measures		
HB10 Cumulative fiscal year average monthly enrollment of children in MAA programs.	0.00	0.00

Reason for change:

The most recent projected changes in the HRSA Medical Assistance caseloads resulted in a net decrease in persons eligible for medical assistance coverage during Fiscal Year 2007, which decreases related program costs.

Impact on clients and services:

There will be no impact on clients and services. The budget reduction is based on the medical assistance maintenance level forecast. The remaining budget will be adequate to provide our clients with their needed services.

Impact on other state programs:

There will be no impact on other state programs. The budget reduction is based on the medical assistance maintenance level forecast.

Relationship to capital budget:

None

Required changes to existing RCW, WAC, contract, or plan:

None

Alternatives explored by agency:

The forecasted HRSA caseload, with the exception of the State Children's Health Insurance Program (SCHIP), is considered an entitlement, thus no alternatives were explored for the non-SCHIP projected caseload.

Budget impacts in future biennia:

Changes in the Medical Assistance caseload is forecasted every budget cycle. The estimated minimum size of future budgetary impacts would be adjusted by any subsequent forecast.

Distinction between one-time and ongoing costs:

Costs in this package are ongoing.

Effects of non-funding:

This request reduces the program's overall budget; however, it does request shifts in funding to accommodate caseload growth in some populations and caseload decreases in others. Without this adjustment, the program can expect to see

DP Code/Title: M1-93 Mandatory Caseload Adjustments

Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H3 080 2005-07 Agency Request 2007 Sup

over-expenditures in some fund sources and under-expenditures in others. For example, this request asks for increased funding in General Fund - State and a decrease in funding from the Health Services Account. This is due to a recent increasing trend of caseload in adult-based medical programs and recent reducing trend of caseload in children-based medical programs.

Expenditure Calculations and Assumptions:

The values contained in this decision package are based on the projected incremental change in eligible populations by month between the February 2006 and June 2006 Caseload Forecasts, multiplied by the budgeted February 2006 Forecast per capita costs for the various HRSA Medical Assistance client populations. This calculation is summarized as:

(October 2006 Caseload minus February 2006 Caseload) X Budgeted February 2006 Forecast per Capita Costs.

Please see the attached workbook:

2007 Supplemental DP M193 Mandatory Caseload Adjustments Model Updated (20061012).xls

Object Detail		FY 1	FY 2	Total
Overall Funding				
E	Goods And Services	0	(292,000)	(292,000)
N	Grants, Benefits & Client Services	0	(91,342,000)	(91,342,000)
	Total Objects	**0**	**(91,634,000)**	**(91,634,000)**

DSHS Source Code Detail

Overall Funding		FY 1	FY 2	Total
Fund 001-1, General Fund - Basic Account-State				
Sources	**Title**			
0011	General Fund State	0	(26,443,000)	(26,443,000)
	Total for Fund 001-1	**0**	**(26,443,000)**	**(26,443,000)**
Fund 001-2, General Fund - Basic Account-Federal				
Sources	**Title**			
566B	Refugee & Entrant Assist-St Admin'd Prog(D)(100%)	0	216,000	216,000
767H	Children's Health Ins Prog (CHIP)	0	(413,000)	(413,000)
	Total for Fund 001-2	**0**	**(197,000)**	**(197,000)**
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa				
Sources	**Title**			
19TA	Title XIX Assistance (FMAP)	0	(46,674,000)	(46,674,000)
	Total for Fund 001-C	**0**	**(46,674,000)**	**(46,674,000)**
Fund 760-1, Health Services Account-State				
Sources	**Title**			
7601	Health Services Account	0	(18,320,000)	(18,320,000)
	Total for Fund 760-1	**0**	**(18,320,000)**	**(18,320,000)**
	Total Overall Funding	**0**	**(91,634,000)**	**(91,634,000)**

2007 Supplemental
M1-93-Manadatory Caseload Adjustments

BY FORECAST FUND SOURCE

	J90	X50								X51		X52		X58	
SFY07	1130	1005	1020	1040	1050	1055	1058	1059	1140	1080	1100	1110	1111	1150	TOTAL
State	$0	-$6,739,230	-$205,442	-$7,223,817	-$1,737,938	$0	$0	$0	$1,167,993	-$3,445,145	-$14,628,886	$5,662,703	$706,632	$0	-$26,443,131
HSA	$0	$0	$0	$0	$0	-$18,783,929	$617,927	$66,016	$0	$0	$0	$0	$0	-$220,012	-$18,319,999
Federal	$215,909	-$6,895,723	-$110,597	-$7,151,508	-$1,874,623	-$19,442,754	$1,151,368	$27,351	$1,173,259	-$1,315,785	-$13,284,530	$949,649	$99,760	-$412,667	-$46,870,891
TOTAL FY07	$215,909	-$13,634,954	-$316,039	-$14,375,325	-$3,612,561	-$38,226,683	$1,769,294	$93,367	$2,341,252	-$4,760,930	-$27,913,416	$6,612,352	$806,393	-$632,679	-$91,634,021
check	ok	ok	ok	ok	ok	ok	ok	ok	ok	ok	ok	ok	ok	ok	

RECAST TO ACTIVITIES & DSHS FUND SOURCES

49.82%

	H056 - MAND MED		H057 OPT KIDS	H058 MN ABD	H060 GAU/ ADATSA	H066 OPT BENES - DENTAL/VISION/HEARING					H067 OPT HCWD	H089 SCHIP		
SFY07	J90	X50	X50	X51	X52	J90	X50	X51	X52	X58	X50	X58	TOTAL	
001-1 0011 GF-State	$0	-$14,348,270	$0	-$18,059,250	$6,362,376	$0	-$390,164	-$14,781	$6,959	$0	$0	$0	-$26,443,131	$0
760-1 7601 HSA	$0	$0	-$16,631,702	$0	$0	$0	-$1,534,301	$0.00	$0	$0	$66,016	-$220,012	-$18,319,999	$0
001-2 566B Ref/Ent 100%	$215,909	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$215,909	$0
001-2 767H SCHIP	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	-$412,667	-$412,667	$0
001-C 19TA-T19 FMAP	$0	-$14,455,693	-$16,756,220	-$14,590,114	$1,049,410	$0	-$1,938,665	-$10,201	$0	$0	$27,351	$0	-$46,674,134	$0
TOTAL FY08	$215,909	-$28,803,963	-$33,387,922	-$32,649,364	$7,411,786	$0	-$3,863,130	-$24,983	$6,959	$0	$93,367	-$632,679	-$91,634,021	

ROUNDED FOR BDS INPUT

	H056 - MAND MED		H057 OPT KIDS	H058 MN ABD	H060 GAU/ ADATSA	H066 OPT BENES - DENTAL/VISION/HEARING					H067 OPT HCWD	H089 SCHIP	
SFY07	J90	X50	X50	X51	X52	J90	X50	X51	X52	X58	X50	X58	TOTAL
001-1 0011 GF-State	$0	-$14,348,000	$0	-$18,059,000	$6,362,000	$0	-$390,000	-$15,000	$7,000	$0	$0	$0	-$26,443,000
760-1 7601 HSA	$0	$0	-$16,632,000	$0	$0	$0	-$1,534,000	0	$0	$0	$66,000	-$220,000	-$18,320,000
001-2 566B Ref/Ent 100%	$216,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$216,000
001-2 767H SCHIP	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	-$413,000	-$413,000
001-C 19TA-T19 FMAP	$0	-$14,456,000	-$16,756,000	-$14,590,000	$1,049,000	$0	-$1,938,000	-$10,000	$0	$0	$27,000	$0	-$46,674,000
TOTAL FY08	$216,000	-$28,804,000	-$33,388,000	-$32,649,000	$7,411,000	$0	-$3,862,000	-$25,000	$7,000	$0	$93,000	-$633,000	-$91,634,000

Summary of Caseload Changes by Month (Oct06 Forecast minus Feb06 Forecast)

	1130	1005	1020	1040	1050	1055	1058	1059	1140	1080	1100	1110	1111	1150
date	Oct06	Oct06	Oct06	Oct06	Oct06	Oct06	Oct06	Oct06	Oct06	Oct06	Oct06	Oct06	Oct06	Oct06
Jul-06	57	-5,076	123	-1,762	46	-15,917	70	25	2,631	-1,121	-3,154	733	230	-439
Aug-06	57	-3,137	-14	-1,458	-249	-15,705	80	28	3,696	-1,219	-2,969	783	227	-484
Sep-06	57	-3,575	41	-1,545	-451	-16,781	89	29	3,885	-1,289	-3,007	831	238	-420
Oct-06	57	-3,881	58	-1,632	-518	-18,096	100	30	4,061	-1,302	-3,071	881	264	-362
Nov-06	57	-3,807	41	-1,719	-539	-19,032	111	30	4,228	-1,324	-3,065	930	303	-310
Dec-06	57	-4,777	-31	-1,807	-641	-20,222	119	30	4,497	-1,344	-3,092	980	323	-265
Jan-07	57	-5,642	-168	-1,895	-82	-21,146	128	31	4,621	-1,411	-3,297	1,029	370	-225
Feb-07	57	-6,108	-365	-1,982	-517	-22,203	136	30	4,810	-1,445	-3,255	1,079	339	-190
Mar-07	57	-6,568	-333	-2,069	-66	-22,937	144	31	4,968	-1,504	-3,290	1,128	353	-161
Apr-07	57	-6,485	-185	-2,156	-278	-22,850	153	31	4,979	-1,601	-3,320	1,178	361	-857
May-07	57	-5,918	-76	-2,244	-531	-23,534	161	30	5,076	-1,564	-3,314	1,227	344	-782
Jun-07	57	-5,077	-27	-2,331	-674	-24,178	171	30	5,115	-1,526	-3,352	1,276	332	-714
	1130	1005	1020	1040	1050	1055	1058	1059	1140	1080	1100	1110	1111	1150
FY07 Avg Caseload Change	57	-5,004	-78	-1,883	-375	-20,217	122	30	4,381	-1,388	-3,182	1,005	307	-434
SFY07 Avg Per Cap	$318	$227	$338	$636	$803	$158	$1,210	$263	$45	$286	$731	$548	$219	$121
State	$0	$112	$219	$320	$386	$0	$0	$0	$22	$207	$383	$470	$192	$0
HSA	$0	$0	$0	$0	$0	$77	$423	$186	$0	$0	$0	$0	$0	$42
Federal	$318	$115	$118	$316	$417	$80	$787	$77	$22	$79	$348	$79	$27	$79
	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK
SFY07 Total	$215,909	-$13,634,954	-$316,039	-$14,375,325	-$3,612,561	-$38,226,683	$1,769,294	$93,367	$2,341,252	-$4,760,930	-$27,913,416	$6,612,352	$806,393	-$632,679	-$91,634,021
State	$0	-$6,739,230	-$205,442	-$7,223,817	-$1,737,938	$0	$0	$0	$1,167,993	-$3,445,145	-$14,628,886	$5,662,703	$706,632	$0	
HSA	$0	$0	$0	$0	$0	-$18,783,929	$617,927	$66,016	$0	$0	$0	$0	$0	-$220,012	
Federal	$215,909	-$6,895,723	-$110,597	-$7,151,508	-$1,874,623	-$19,442,754	$1,151,368	$27,351	$1,173,259	-$1,315,785	-$13,284,530	$949,649	$99,760	-$412,667	

-$91,634,021

DP Code/Title: M1-94 Mandatory Workload Adjustments

Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H3 080 2005-07 Agency Request 2007 Sup

Recommendation Summary Text:

This request is for $1,429,000 (total funds) and 21.0 FTEs to fund growing workload demands as a result of changes in caseload and service utilization.

Fiscal Detail:

Operating Expenditures	FY 1	FY 2	Total
Overall Funding			
001-1 General Fund - Basic Account-State	0	239,000	239,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	0	714,000	714,000
03C-1 Emer Med Ser/Trauma Care Sys Trust-State	0	39,000	39,000
760-1 Health Services Account-State	0	437,000	437,000
Total Cost	**0**	**1,429,000**	**1,429,000**

Staffing	FY 1	FY 2	Annual Avg
Agency FTEs	**0.0**	**21.0**	**10.5**

Package Description:

This request is for $1,429,000 and 21.0 FTEs to meet increasing customer and provider needs in an effective and timely fashion, and to maintain financial reporting and accountability for the Health and Recovery Services Administration (HRSA).

HRSA has experienced a steadily increasing demand for administrative resources as a result of changes in clients' scope of care relating to new state and federal requirements, billing procedure changes, the ability to adjudicate claims in a timely manner, and increasing fiscal responsibilities and accountability due to audit risks. HRSA will continue to spend approximately five percent of its total budget on program administration costs. This request reflects the estimate of additional personnel resources needed to maintain a customer-driven operation at current levels of effectiveness while ensuring timely access to appropriate medical care for nearly 970,000 Medical Assistance beneficiaries.

The first component is a request for an additional 3.0 FTEs for Fiscal Year 2007 for the Claims Processing Section within HRSA as a result of the projected increase in claims volume and related workload. Based on our Claims Processing Model, HRSA can expect claims volumes to increase steadily by a little over 12,000 claims per month over the course of the fiscal year. Considering the typical FTE processes about 33,000 claims per month, an additional 3.0 FTEs are needed to meet the expected workload increase in Fiscal Year 2007. The claims processing model is attached.

The second component of this request is an additional 3.0 FTEs in Fiscal Year 2007 for the Patient Review and Restriction Program (PRR). In order to place a patient within this program, that patient has the option to file a fair hearing to challenge this action. The placement of clients into the PRR program is considered an "adverse action". Therefore, as the PRR program has expanded, clients are increasingly exercising their right to challenge this decision through the fair hearings process. Since this program expanded in Fiscal Year 2006, 134 fair hearing requests have been filed while prior to the expansion such requests were infrequent. The increase in fair hearing requests has resulted in increasing demand for sufficient documentation, data-gathering, and robust data analysis activities to effectively defend the agency's decisions. As existing program staff are diverted to these activities from their central surveillance and review activities, the ability to add new cases to PRR is hampered and may result in potential loss in program savings. These additional FTEs are needed to maintain the current program caseload; no additional savings are expected with these FTEs.

The third component of this request is an additional 10.0 FTEs for Fiscal Year 2007 for the Division of eligibility and Service Delivery, Medical Eligibility Determination Services (MEDS) due to increasing caseload-driven workload, particularly foster

DP Code/Title: M1-94 Mandatory Workload Adjustments

Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H3 080 2005-07 Agency Request 2007 Sup

care and Take Charge program cases. We are requesting 5.0 FTEs for the Foster Care Team for Fiscal Year 2007 and 5.0 FTEs for the MEDS Take Charge section for Fiscal Year 2007.

The Foster Care Team (FCT) is responsible for foster care case management and relative placement cases. Currently, each worker is responsible for 2,900 cases. The per-worker caseload must be reduced in order each case to be handled in a timely manner. Also, changes in the Automated Client Eligibility System (ACES) has increased the frequency of alerts to FCT by the Children's Administration concerning children who require foster care medical assistance, adding to the workload of existing MEDS FCT staff.

Prior to June 2006, MEDS was processing approximately 2,500 applications per month. In June 2006, this unit started processing another 8,000 Take Charge applications a month. This drastic increase from 2,500 to 10,500 applications per month requires addtional staff to process applications in timely fashion. Also, Take Charge waiver program eligibility processing will be migrating to ACES in January 2007. As with any type of data conversion between computer systems, errors will occur. Workload will increase since these errors will need to be manually corrected and quality-checked in order to maintain the accuracy of the data. Additionally, the MEDS workload will increase with the move to ACES as methods for processing applications will change, resulting in more pended applications and more letters sent to clients requesting additional information to verify their eligibility. Since the ACES system cannot accommodate special processes for the Take Charge program, MEDS staff will need to enter more data into the system.

The fourth component of this request is for 5.0 additional FTEs for the Division of Finance and Rates Development (DFRD) for Fiscal Year 2007. This will enable HRSA to respond to the increasing demand for relevant, accurate and timely financial analysis and reporting, changes in federal requirements and increased federal scrutiny as well as successful implementation of various financial process improvements. As a greater emphasis has been placed by financial audits, accountability, cost-efficiency, and evidence-based decisions, the Office of Finance has seen a steady increase in the demand for their services.

We are requesting 2.0 FTEs for the Accounting Unit to maintain the accuracy of provider tax information (e.g. 1099 reporting). In a recent audit by the IRS, it was determined that HRSA must better monitor the accuracy of the tax identification numbers or social security numbers of the medical providers to service our clients. The IRS initially assessed $86.0M in penalties because DSHS/Medical Assistance could not show compliance in vendor payments. We were able to reduce this assessment to $250,000 because we diverted the necessary staff from their current duties. The additional FTEs are needed to maintain the new process and procedures within HRSA and to ensure compliance.

Additionally, we are requesting 2.0 FTEs to address the increasing data analysis and support in response to the audits from the State Auditor's Office (SAO), the Centers of Medicare and Medicaid (CMS) and the Office of Inspector General (OIG). The data-mining and analysis needed to prepare for such audits has taken staff time away from other duties, such as monthly financial reporting, answering Legislative and Governor requests, and developing and maintaining the budget. These FTEs will help to ensure that all those who demand their time are adequately serviced.

Lastly, we are requesting 1.0 FTE within the Office of Hospital Rates to provide analysis and support for the Trauma program, which provides supplemental payments to hospitals and clinical providers for trauma services. To manage this program properly, HRSA staff need to coordinate with the Department of Health, meet regularly with stakeholders, speak with providers who often contact HRSA with questions pertaining to this program, and provide detailed reports to the hospitals regarding their payments. The time-requirement for this program has increased such that a full-time FTE needs to be dedicated to manage it properly. Half of the requested funding for this FTE will be from the Trauma fund and the other half from General Fund-Federal.

The total request represents an increase of 21.0 FTEs in Fiscal Year 2007 for an average of 10.5 FTEs for the biennium.

Narrative Justification and Impact Statement

DP Code/Title: M1-94 Mandatory Workload Adjustments

Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H3 080 2005-07 Agency Request 2007 Sup

How contributes to strategic plan:

With adequate staffing, HRSA is better able to contribute to each of the Governor's Health Care goals:

1) Improve Quality and Efficiency
2) Increase Access to Health Care
3) Improve People's Health

Without the additional needed workforce resources, HRSA's ability to successfully meet these goals will be seriously impaired.

Performance Measure Detail

Agency Level

Activity: H001 Administrative Costs	Incremental Changes FY 1	FY 2
No measures linked to package	0.00	0.00

Reason for change:

Increasing demand for administrative resources as a result of changes in client's scope of care relating to new state and federal requirements, billing procedures changes, the ability to adjudicate claims in a timely manner, staff retention, and increasing fiscal responsibilities and accountability due to audit risks.

Impact on clients and services:

These FTEs will allow HRSA to continue servicing their clients and stakeholders in a timely manner.

Impact on other state programs:

None

Relationship to capital budget:

None

Required changes to existing RCW, WAC, contract, or plan:

None

Alternatives explored by agency:

There are no alternatives to adequate staffing levels.

Although HRSA strives to become more efficient in its operations through the use of technology and better processes, the FTEs that are requested in this package are for operational tasks for which human intervention is not replaceable.

Budget impacts in future biennia:

The increase of FTEs will continue into new biennia however; some equipment costs are one-time.

Distinction between one-time and ongoing costs:

The some of the equipment costs in this decision package are one-time in Fiscal Year 2007 however; the remainder will be

DP Code/Title: M1-94 Mandatory Workload Adjustments

Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H3 080 2005-07 Agency Request 2007 Sup

ongoing.

Effects of non-funding:

The results of non-funding will negatively affect the operation of the agency in the following ways:

1) Less timely adjudication of medical claims, especially with caseload continuing to increase.
2) An increase in backlogged applications and required case actions, since MEDS will not be able to respond timely.
3) Reduced effectiveness of the PRR program due to the required time that is diverted to hearings.
4) Less ability from the Division of Finance and Rates Development to analyze and provide needed fiscal information for timely decision-making.

Expenditure Calculations and Assumptions:

Please see "2007 Supplemental DP M194 Mandatory Workload Adjustments Model.xls".

Object Detail		FY 1	FY 2	Total
Overall Funding				
A	Salaries And Wages	0	826,000	826,000
B	Employee Benefits	0	295,000	295,000
E	Goods And Services	0	287,000	287,000
T	Intra-Agency Reimbursements	0	21,000	21,000
	Total Objects	**0**	**1,429,000**	**1,429,000**

DSHS Source Code Detail		FY 1	FY 2	Total
Overall Funding				
Fund 001-1, General Fund - Basic Account-State				
Sources	**Title**			
0011	General Fund State	0	239,000	239,000
	Total for Fund 001-1	**0**	**239,000**	**239,000**
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa				
Sources	**Title**			
19UL	Title XIX Admin (50%)	0	714,000	714,000
	Total for Fund 001-C	**0**	**714,000**	**714,000**
Fund 03C-1, Emer Med Ser/Trauma Care Sys Trust-State				
Sources	**Title**			
03C1	State Emergency Medical Services/Trauma	0	39,000	39,000
	Total for Fund 03C-1	**0**	**39,000**	**39,000**
Fund 760-1, Health Services Account-State				
Sources	**Title**			
7601	Health Services Account	0	437,000	437,000
	Total for Fund 760-1	**0**	**437,000**	**437,000**
	Total Overall Funding	**0**	**1,429,000**	**1,429,000**

2007 Supplemental
M1-94 Mandatory Workload Adjustments

Item	Budget Item	Program Contact	HRSA Division	Workload Model	FTEs SFY 07	Job Class	Fiscal Impact GF-S 001-1	HSA 760-1	GF-F 001-C	Trauma	Total
1	**Maintenance Level**										
2	Workload step:										
3	3 ftes claims processing for phy admin drugs/NDC issue	JoAnn Fulton	DPS/CP	✓	3.0	MAS 2	$ 88,000	$ -	$ 87,000	$ -	$ 175,000
4	2 ftes for 1099 processing-Accounting Office	Thuy Hua-Ly/Patty Warren	DBF		2.0	FA1/FA5	$ 71,000	$ -	$ 71,000	$ -	$ 142,000
5	1 fte for trauma program	Carolyn Adams/Ayuni Wimpee	DBF		1.0	CRA 3	$ -	$ -	$ 39,000	$ 39,000	$ 78,000
6	MEDS workload for Foster Care: 5.0 FTEs; MEDS workload for Take Charge 5.0 FTEs	Manning Pellanda	DCS/MEDS	✓	10.0	MAS 3	$ -	$ 317,000	$ 317,000	$ -	$ 634,000
7	PRR - 3.0 FTEs	Phyllis Coolen	DCS/ECM	✓	3.0	MAPM2	$ -	$ 120,000	$ 119,000	$ -	$ 239,000
9	Budget Office	Carl Yanagida	DBF		2.0	WMS 2	$ 80,000	$ -	$ 81,000	$ -	$ 161,000

	FTEs
TOTAL	21

GF-S	HSA	GF-F	Trauma	TOTAL
$ 239,000	**$ 437,000**	**$ 714,000**	**$ 39,000**	**$ 1,429,000**

Medical Assistance Specialist 2 (Range 36); Step F Median salary at $2,547/month
Medical Assistance Specialist 3 (Range 42); Step F Median salary at $2,932/month
Fiscal Analyst 1 (Range 40); Step F Median salary $2,799/month
Fiscal Analyst 5 (Range 56); Step F Median salary $4,141 /month
Cost Reimbursement Analyst 3: (Range 55); Step F Median at $4,041/month
Medical Assistance Program Manager 2 (Range 56); Step F Median salary at $4,141/month
WMS 2: Budget Office $4,200/month

H001	$ 151,000	$ -	$ 191,000	$ 39,000	$ 381,000
H056	$ 88,000	$ 437,000	$ 523,000	$ -	$ 1,048,000
	$ 239,000	$ 437,000	$ 714,000	$ 39,000	$ 1,429,000

DP Code/Title: M2-3J Utilization and Other Rate Changes
Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H3 080 2005-07 Agency Request 2007 Sup

Recommendation Summary Text:

This request is for $53,578,000 (total funds) to address changes in utilization of medical services by Health and Recovery Services Administration (HRSA) medical assistance clients. This request reflects the spending changes predicted by the October 2006 Medical Assistance Forecast.

Fiscal Detail:

Operating Expenditures	FY 1	FY 2	Total
Overall Funding			
001-1 General Fund - Basic Account-State	0	28,129,000	28,129,000
001-2 General Fund - Basic Account-Federal	0	3,876,000	3,876,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	0	2,323,000	2,323,000
760-1 Health Services Account-State	0	19,250,000	19,250,000
Total Cost	**0**	**53,578,000**	**53,578,000**

Staffing

Package Description:

This request is for $53,578,000 (total funds) to fund changes in utilization of medical services.

Factors that affect utilization include changes in the intensity and duration of care, technology, and changes in the configuration of services provided to clients. Once all known changes in caseload, rates, program structure, and coverage are accounted for, Medical Assistance assumes that remaining projected costs are those attributable to changes in utilization.

The methodology used is intended to isolate the costs attributable only to the changes in forecasted client caseloads and thus reflects changes in needed funding resulting from current program policies.

Narrative Justification and Impact Statement

How contributes to strategic plan:

This step contributes to the agency's strategic plan by ensuring that HRSA Medical Assistance clients continue to have access to quality health care.

Performance Measure Detail

Agency Level

Activity: H056 Mandatory Medicaid Program for Children and Families	Incremental Changes FY 1	FY 2
Output Measures		
HB10 Cumulative fiscal year average monthly enrollment of children in MAA programs.	0.00	0.00
HB20 Immunization rate for two-year-olds enrolled in Medicaid managed care health plans.	0.00%	0.00%
HB30 Infant mortality rate among low-income families with Medicaid coverage.	0.00%	0.00%

DP Code/Title: M2-3J Utilization and Other Rate Changes

Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H3 080 2005-07 Agency Request 2007 Sup

	HB40 Rate of late or no prenatal care for pregnant women in Medicaid health plans.	0.00%	0.00%
Activity: H057 Medicaid for Optional Children		**Incremental Changes FY 1**	**FY 2**
Output Measures			
	HB10 Cumulative fiscal year average monthly enrollment of children in MAA programs.	0.00	0.00
	HB20 Immunization rate for two-year-olds enrolled in Medicaid managed care health plans.	0.00%	0.00%
	HB30 Infant mortality rate among low-income families with Medicaid coverage.	0.00%	0.00%
Activity: H089 SCHIP		**Incremental Changes FY 1**	**FY 2**
Output Measures			
	HB10 Cumulative fiscal year average monthly enrollment of children in MAA programs.	0.00	0.00

Reason for change:

This proposal requests the funds needed to address changes in utilization of medical services by HRSA medical assistance clients.

Impact on clients and services:

Funding this step assures that HRSA medical assistance clients will have continued access to necessary medical services.

Impact on other state programs:

HRSA medical assistance programs assure access to virtually all populations of Department of Social and Health Services (DSHS) clients who meet program eligibility criteria. These include the most vulnerable populations served by DSHS programs - the aged, the disabled, children, WorkFirst clients, and others.

Relationship to capital budget:

This decision package has no capital budget impacts.

Required changes to existing RCW, WAC, contract, or plan:

Not applicable

Alternatives explored by agency:

The requested funding supports provision of medical services to clients who are, for the most part, a population served under the Medicaid Entitlement program. Therefore, no alternatives have been explored concerning other means of meeting the increased costs attributable to medical service utilization. HRSA has systems in place that are intended to ensure that all services provided to clients are based on medical necessity and to identify and manage over-utilization of services when needed. HRSA pursues quality improvement of these utilization management systems on an ongoing basis.

Budget impacts in future biennia:

Changes in medical assistance program utilization are ongoing and are a function of the forecast process.

Distinction between one-time and ongoing costs:

DP Code/Title: M2-3J Utilization and Other Rate Changes

Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H3 080 2005-07 Agency Request 2007 Sup

Costs in this package are ongoing.

Effects of non-funding:

Failure to fund increased costs attributable to utilization changes would likely force HRSA to propose elimination of optional services and/or populations from coverage under HRSA Health Care programs. The scope of any reductions/eliminations have not been estimated. If reductions are taken, it would result in the loss of health care coverage for certain optional coverage groups and/or elimination of optional service categories such as physical occupational speech/language therapies, dental, vision care, and other optional services.

Expenditure Calculations and Assumptions:

This utilization step is calculated as follows:

[February 2006 Per Capita Costs]

LESS

[Carry Forward Level Per Capita Costs]

Multiplied by

[October 2006 Forecast projected eligibles for state Fiscal Year 2007]

Please refer to 2007 Supplemental DP M23J Utilization & Other Rate Adjustments Model.xls

Object Detail	FY 1	FY 2	Total
Overall Funding			
N Grants, Benefits & Client Services	0	53,578,000	53,578,000

DP Code/Title: M2-3J Utilization and Other Rate Changes

Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H3 080 2005-07 Agency Request 2007 Sup

DSHS Source Code Detail

Overall Funding		FY 1	FY 2	Total
Fund 001-1, General Fund - Basic Account-State				
Sources	**Title**			
0011	General Fund State	0	28,129,000	28,129,000
	Total for Fund 001-1	**0**	**28,129,000**	**28,129,000**
Fund 001-2, General Fund - Basic Account-Federal				
Sources	**Title**			
566B	Refugee & Entrant Assist-St Admin'd Prog(D)(100%)	0	624,000	624,000
767H	Children's Health Ins Prog (CHIP)	0	3,252,000	3,252,000
	Total for Fund 001-2	**0**	**3,876,000**	**3,876,000**
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa				
Sources	**Title**			
19TA	Title XIX Assistance (FMAP)	0	27,546,000	27,546,000
19TB	Title XIX Assistance (100%)	0	(4,595,000)	(4,595,000)
19TD	Title XIX Assistance (90%)	0	(20,628,000)	(20,628,000)
	Total for Fund 001-C	**0**	**2,323,000**	**2,323,000**
Fund 760-1, Health Services Account-State				
Sources	**Title**			
7601	Health Services Account	0	19,250,000	19,250,000
	Total for Fund 760-1	**0**	**19,250,000**	**19,250,000**
	Total Overall Funding	**0**	**53,578,000**	**53,578,000**

2007 Supplemental
M2-3J-Utilization and Other Rate Changes

07 Supplemental Utilization & Rate Changes - Summary					
dolllars in thousands		Total	Federal	HSA	State
J90	1130	$624	$624	$0	$0
X50	1005	$44,149	$14,440	$0	$29,709
	1020	-$4,440	-$9,872	$0	$5,432
	1040	-$10,169	$2,774	$0	-$12,943
	1050	$2,913	$9,008	$0	-$6,095
	1055	$11,503	-$5,729	$17,114	$118
	1058	-$1,806	-$1,171	-$357	-$278
	1059	$916	$547	$250	$119
	1140	-$624	-$431	$0	-$193
	1211	-$302	-$277	$0	-$25
	1212	$4,249	$1,763	$0	$2,485
	1220	-$3,926	$0	$0	-$3,926
	1221	$105	$105	$0	$0
	1270	$324	-$3	$0	$327
	1288	$32,202	$12,419	$0	$19,784
X51	1080	$1,704	-$1,871	$0	$3,574
	1100	-$9,488	-$7,551	$0	-$1,936
X52	1110	$401	$9,680	$0	-$9,279
	1111	$1,235	$1,785	$0	-$550
	1965	$3,427	$1,931	$0	$1,496
X55	1230	-$2,400	-$4,595	$0	$2,196
X56	1240	-$22,513	-$20,628	$0	-$1,885
X58	1150	$5,494	$3,252	$2,243	$0
		$53,577	$6,197	$19,250	$28,130

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RECAST TO ACTIVITIES & DSHS FUND SOURCES

	H056 - MAND MED			H057 OPT KIDS	H058 MN ABD	H060 GAU/ADATSA	H066 OPT BENES - DENTAL/VISION/HEARING					H067 OPT HCWD	H089 SCHIP	H091 SPEC PROG	TOTAL UTILIZATION CHANGE	
SFY07	J90	X50	X55	X50	X51	X52	J90	X50	X51	X52	X58	X50	X58	X56		Check
001-1 0011 GF-State	$0	$33,977,864	$2,195,788	$0	$1,636,497	-$8,323,727	$0	$416,956	$1,339	-$9,104	$0	$119,000	$0	-$1,884,954	$28,129,659	$28,129,659
760-1 7601 HSA	$0	-$326,924	$0	$15,668,972	$0	$0	$0	$1,415,328	$0	$0	$3,616	$250,115	$2,238,887	$0	$19,249,994	$19,249,994
001-2 566B Ref/Ent 100	$624,361	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$624,361	$624,361
001-2 767H SCHIP	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$1,933	$0	$3,249,955	$0	$3,251,888	$3,251,888
001-C 19TA-T19 FMAP	$0	$26,646,427	$0	-$5,504,467	-$9,415,459	$13,395,650	$0	$1,882,688	-$6,583	$0	$0	$546,679	$0	$0	$27,544,936	$27,544,936
001-C 19TD-T19 (90%)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	-$20,628,408	-$20,628,408	-$20,628,408
001-C 19TB-T19 (100%	$0	$0	-$4,595,372	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	-$4,595,372	-$4,595,372
TOTAL FY07	$624,361	$60,297,367	-$2,399,584	$10,164,505	-$7,778,962	$5,071,923	$0	$3,714,972	-$5,244	-$9,104	$5,549	$915,794	$5,488,842	-$22,513,362	$53,577,057	$53,577,057

49.32%

ROUNDED FOR BDS INPUT

	H056 - MAND MED			H057 OPT KIDS	H058 MN ABD	H060 GAU/ADATSA	H066 OPT BENES - DENTAL/VISION/HEARING					H067 OPT HCWD	H089 SCHIP	H091 SPEC PROG	TOTAL UTILIZATION CHANGE
SFY07	J90	X50	X55	X50	X51	X52	J90	X50	X51	X52	X58	X50	X58	X56	
001-1 0011 GF-State	$0	$33,978,000	$2,196,000	$0	$1,636,000	-$8,324,000	$0	$417,000	$1,000	-$9,000	$0	$119,000	$0	-$1,885,000	$28,130,000
760-1 7601 HSA	$0	-$327,000	$0	$15,669,000	$0	$0	$0	$1,415,000	0	$0	$4,000	$250,000	$2,239,000	$0	$19,250,000
001-2 566B Ref/Ent 100	$624,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$624,000
001-2 767H SCHIP	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$2,000	$0	$3,250,000	$0	$3,252,000
001-C 19TA-T19 FMAP	$0	$26,646,000	$0	-$5,504,000	-$9,415,000	$13,396,000	$0	$1,883,000	-$7,000	$0	$0	$547,000	$0	$0	$27,545,000
001-C 19TD-T19 (90%)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	-$20,628,000	-$20,628,000
001-C 19TB-T19 (100%	$0	$0	-$4,595,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	-$4,595,000
TOTAL FY07	$624,000	$60,297,000	-$2,399,000	$10,165,000	-$7,779,000	$5,072,000	$0	$3,715,000	-$6,000	-$9,000	$6,000	$916,000	$5,489,000	-$22,513,000	$53,578,000

DP Code/Title: M2-8M Mileage Rate Adjustments
Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H3 080 2005-07 Agency Request 2007 Sup

Recommendation Summary Text:

The Department of Social and Health Services (DSHS) requests $686,000 in State Fiscal Year 2007 to fund the allowable reimbursement rate for automobile mileage of $.445 per mile.

Fiscal Detail:

Operating Expenditures	FY 1	FY 2	Total
Overall Funding			
001-1 General Fund - Basic Account-State	0	2,000	2,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	0	7,000	7,000
Total Cost	**0**	**9,000**	**9,000**

Staffing

Package Description:

DSHS requests $686,000 in State Fiscal Year 2007 to fund the allowable reimbursement rate for automobile mileage of $.445 per mile. Current state travel regulations allow a reimbursement rate for the use of privately owned vehicles when traveling on official state business (Social Worker duties, regional meetings, conferences, etc). DSHS is currently funded at the rate of $.375 per mile set in the 2003-05 Biennium. DSHS is requesting the difference between the funded level of $.375 per mile and the reimburseable level of $.445 per mile. DSHS received funds for these increased costs of doing business in State Fiscal Year 2006. No funds were provided in State Fiscal Year 2007.

Narrative Justification and Impact Statement

How contributes to strategic plan:

This request meets the agency goal of developing services that meet geographic, cultural, tribal and individual needs.

Performance Measure Detail

Agency Level

Reason for change:

DSHS is not funded at the current allowable mileage reimbursement rate of $.445 per mile.

Impact on clients and services:

Travel is a critical part of duties that are required of the department. Funding this request will allow DSHS to maintain current levels of service.

Impact on other state programs:

None

Relationship to capital budget:

Not applicable

DP Code/Title: M2-8M Mileage Rate Adjustments

Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H3 080 2005-07 Agency Request 2007 Sup

Required changes to existing RCW, WAC, contract, or plan:

Not applicable

Alternatives explored by agency:

None

Budget impacts in future biennia:

These costs will carry forward into future biennia.

Distinction between one-time and ongoing costs:

All costs are ongoing.

Effects of non-funding:

DSHS will not be able to absorb this cost increase without an offsetting reduction in program areas that are not fixed costs.

Expenditure Calculations and Assumptions:

Please see attachment AW M2-8M Mileage Rate Adjustments.xls

Object Detail	FY 1	FY 2	Total
Overall Funding			
E Goods And Services	0	9,000	9,000

DSHS Source Code Detail

Overall Funding	FY 1	FY 2	Total
Fund 001-1, General Fund - Basic Account-State			
Sources Title			
0011 General Fund State	0	2,000	2,000
Total for Fund 001-1	**0**	**2,000**	**2,000**
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa			
Sources Title			
19UL Title XIX Admin (50%)	0	7,000	7,000
Total for Fund 001-C	**0**	**7,000**	**7,000**
Total Overall Funding	**0**	**9,000**	**9,000**

2007 Supplemental Request
ML-8M Mileage Rate Adjustment

Rounded =Round(link,-3)

Program	Year			ISSD - TZ			Total		
	2006	2007	Total	2006	2007	Total	2006	2007	Total
010		304,000	304,000					304,000	304,000
020		3,000	3,000					3,000	3,000
030		24,000	24,000					24,000	24,000
040		76,000	76,000					76,000	76,000
050		124,000	124,000					124,000	124,000
060		91,000	91,000					91,000	91,000
070		11,000	11,000					11,000	11,000
080		9,000	9,000					9,000	9,000
100		10,000	10,000					10,000	10,000
110		34,000	34,000					34,000	34,000
150		0	0					0	0
Total	0	686,000	686,000	0	0	0	0	686,000	686,000

State/Other Split

Program	State			Other			Total		
	2006	2007	Total	2006	2007	Total	2006	2007	Total
010		213,000	213,000		91,000	91,000		304,000	304,000
020		3,000	3,000		0	0		3,000	3,000
030		20,000	20,000		4,000	4,000		24,000	24,000
040		46,000	46,000		30,000	30,000		76,000	76,000
050		65,000	65,000		59,000	59,000		124,000	124,000
060		43,000	43,000		48,000	48,000		91,000	91,000
070		5,000	5,000		6,000	6,000		11,000	11,000
080		2,000	2,000		7,000	7,000		9,000	9,000
100		10,000	10,000		0	0		10,000	10,000
110		22,000	22,000		12,000	12,000		34,000	34,000
150		0	0		0	0		0	0
Total	0	429,000	429,000	0	257,000	257,000	0	686,000	686,000

2007 Supplemental Request
M2-8M Mileage Rate Adjustment

Program	SFY 2006 Actuals	Estimated Allotment SFY 2007	Projection	SFY 2007 Request
010 - Children's Administration	1,922,558	1,625,558	1,930,000	304,000
020 - Juvenile Rehabilitatn Admin	17,279	14,279	17,000	3,000
030 - Mental Health	132,936	129,936	154,000	24,000
040 - Div of Developmental Disabilities	487,598	406,598	483,000	76,000
050 - Long Term Care Services	868,929	663,929	788,000	124,000
060 - Economic Services Admin	578,568	487,568	579,000	91,000
070 - Div of Alc/Substnce Abuse	72,346	56,346	67,000	11,000
080 - Medical Assistance	49,824	49,824	59,000	9,000
100 - Vocational Rehabilitation	61,959	51,959	62,000	10,000
110 - Admin & Supporting Svcs	213,424	180,424	214,000	34,000
150 - Info SYS Svcs Div	3,697	3,697	4,000	0
	4,409,119	**3,670,119**	**4,357,000**	**686,000**

Increase from .375 to .445
18.7%

DSHS Budget Office
Dan Winkley

DP Code/Title: M2-8P Postage Rate Adjustments
Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H3 080 2005-07 Agency Request 2007 Sup

Recommendation Summary Text:

Postage rates have increased by 5.4 percent due to a United States Postal Services (USPS) rate increase for first-class mail. The Department of Social and Health Services (DSHS) is requesting $466,000 for Fiscal Year 2007 for the increase in first-class postage from $.37 to $.39.

Fiscal Detail:

Operating Expenditures	FY 1	FY 2	Total
Overall Funding			
001-1 General Fund - Basic Account-State	0	20,000	20,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	0	17,000	17,000
Total Cost	**0**	**37,000**	**37,000**

Staffing

Package Description:

Effective January 8, 2006 the USPS increased the rate for first-class mail to $.39 from the former rate of $.37. This request is for $466,000 to fund a 5.4 percent increase in first-class postage rate.

Narrative Justification and Impact Statement

How contributes to strategic plan:

Contributes to the agency goal reinforce strong management to increase public trust.

Performance Measure Detail

Agency Level

Reason for change:

This request is in response to the USPS first-class postage rate increase that went into effect January 8, 2006.

Impact on clients and services:

Communication between clients and programs is a routine and essential part of doing business. Clients expect written responses to their inquiries and concerns. Other areas impacted by the postage rate increase are payments to clients and notices to clients required by law.

Impact on other state programs:

All state programs are impacted by a USPS increase.

Relationship to capital budget:

Not applicable

DP Code/Title: M2-8P Postage Rate Adjustments

Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H3 080 2005-07 Agency Request 2007 Sup

Required changes to existing RCW, WAC, contract, or plan:

Not applicable

Alternatives explored by agency:

The USPS mail service is considered accessible to all clients and is an efficient means of communication. Other forms of communication or remittance of payments such as electronic banking and e-mail are not accessible to the majority of the department's clients or may require revisions to state laws.

Budget impacts in future biennia:

This is an increase that will carry forward into future biennia. The USPS is considering an additional rate increase in 2007 to $.42.

Distinction between one-time and ongoing costs:

This item is an ongoing operational cost. There are no one-time cost associated with this request.

Effects of non-funding:

Non-funding may have negative results to the agency's ability to communicate with clients and remain responsive to constituent needs. If not approved, funds will have to be diverted from programs or services to cover the increased costs.

Expenditure Calculations and Assumptions:

Actual Object EB cost for Fiscal Year 2005 are used as the base for calculating the Fiscal Year 2007 increase.

See attachment AW M2-8P Postage Rate Adjustment

Object Detail	FY 1	FY 2	Total
Overall Funding			
E Goods And Services	0	37,000	37,000

DSHS Source Code Detail

Overall Funding	FY 1	FY 2	Total
Fund 001-1, General Fund - Basic Account-State			
Sources Title			
0011 General Fund State	0	20,000	20,000
Total for Fund 001-1	**0**	**20,000**	**20,000**
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa			
Sources Title			
19UL Title XIX Admin (50%)	0	17,000	17,000
Total for Fund 001-C	**0**	**17,000**	**17,000**
Total Overall Funding	**0**	**37,000**	**37,000**

Department of Social & Health Services

2007 Supplemental Agency Request - 8P Postage Rate Adjustment

Rounded =Round(link,-3)

Program	Year			ISSD - TZ			Total		
	2006	2007	Total	2006	2007	Total	2006	2007	Total
010		29,000	29,000			0		29,000	29,000
020		2,000	2,000			0		2,000	2,000
030		1,000	1,000			0		1,000	1,000
030 SCC		1,000	1,000			0		1,000	1,000
040		11,000	11,000			0		11,000	11,000
050		23,000	23,000			0		23,000	23,000
060		340,000	340,000			0		340,000	340,000
070		4,000	4,000			0		4,000	4,000
080		37,000	37,000			0		37,000	37,000
100		5,000	5,000			0		5,000	5,000
110		13,000	13,000			0		13,000	13,000
150		0	0			0		0	0
Total	0	466,000	466,000	0	0	0	0	466,000	466,000

State/Other Split

Program	State			Other			Total		
	2006	2007	Total	2006	2007	Total	2006	2007	Total
010		14,000	14,000		15,000	15,000		29,000	29,000
020		2,000	2,000		0	0		2,000	2,000
030		1,000	1,000		0	0		1,000	1,000
030 SCC		1,000	1,000		0	0		1,000	1,000
040		5,000	5,000		6,000	6,000		11,000	11,000
050		11,000	11,000		12,000	12,000		23,000	23,000
060		194,000	194,000		146,000	146,000		340,000	340,000
070		2,000	2,000		2,000	2,000		4,000	4,000
080		20,000	20,000		17,000	17,000		37,000	37,000
100		5,000	5,000		0	0		5,000	5,000
110		9,000	9,000		4,000	4,000		13,000	13,000
150		0	0		0	0		0	0
Total		264,000	264,000	0	202,000	202,000	0	466,000	466,000

DP Code/Title: M2-9T Transfers

Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H3 080 2005-07 Agency Request 2007 Sup

Recommendation Summary Text:

The Department of Social and Health Services (DSHS) is requesting transfers between programs that net to zero for the agency in Fiscal Year (FY) 2007.

Fiscal Detail:

Operating Expenditures	FY 1	FY 2	Total
Overall Funding			
001-1 General Fund - Basic Account-State	0	(406,000)	(406,000)
001-C General Fund - Basic Account-DSHS Medicaid Federa	0	(25,000)	(25,000)
489-1 Pension Funding Stabilization Acct-State	0	1,000	1,000
Total Cost	**0**	**(430,000)**	**(430,000)**

Staffing	FY 1	FY 2	Annual Avg
Agency FTEs	**0.0**	**(1.0)**	**(0.5)**

Package Description:

DSHS is requesting internal transfers among several program budgets resulting in a net zero funding change for the department. In order to align program appropriations with planned expenditures in FY2007, adjustments are required in the following areas:

DSHS management has redistributed a reduction of 5.4 FTEs and $298,000 in FY2007 due to the Middle Management Reduction for Mental Health Division (MHD) headquarters to other DSHS programs. This action is in response to new MHD mandates to develop more efficient and effective methods for serving persons with mental illness that have increased oversight and accountability demands on MHD headquarters staff.

DSHS management has redistributed ($5,701,000) of the SmartBuy reduction in FY2007 from the Administrative & Supporting Services program to Children's Administration (CA), Juvenile Rehabilitation Administration (JRA), MHD, Division of Developmental Disabilities (DDD), Long Term Care (LTC), Economic Services Administration (ESA), Division of Alcohol and Substance Abuse (DASA), Medical Assistance Administration (MAA), Division of Vocation Rehabilitation (DVR), and Information Systems Services Division (ISSD) to align funding reductions across the agency.

DDD is transferring $1,300,000 GF-S in FY2007 to ESA to support the ability of the Department in meeting the Social Security Income State Supplemental Payment (SSI/SSP) Maintenance of Effort (MOE). DDD has reached the eligible capacity of expenditures within the program. This transfer reflects the unused allotment within DDD provided in the 2005-07 Biennium, and supports the department requirement to meet an MOE level of spending each calendar year to ensure continued Medicaid funding.

DSHS management has redistributed $68,000 of the ISSD Pension Plan 1 dollars in FY2007 from the Administrative & Supporting Services program to CA, JRA, MHD, DDD, LTC, ESA, MAA, and DVR to align funding across the agency.

Transfer of the Central Services funding of $2,171,000 in FY2007 from the Administrative and Support Services program to Payments to Other Agencies.

Administration and Support Services is requesting an internal program transfer to reorganize the central risk management functions under the newly created Chief Risk Officer. This transfer is 2.0 FTEs and $125,000 per year between budget units in Program 110.

DP Code/Title: M2-9T Transfers

Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H3 080 2005-07 Agency Request 2007 Sup

Narrative Justification and Impact Statement

How contributes to strategic plan:

Improve the ability of state government to achieve results efficiently and effectively.

Performance Measure Detail

Agency Level

Reason for change:

Changes to FY2007 will align budgets with planned expenditures.

Impact on clients and services:

None

Impact on other state programs:

None

Relationship to capital budget:

None

Required changes to existing RCW, WAC, contract, or plan:

None

Alternatives explored by agency:

None

Budget impacts in future biennia:

All costs are ongoing.

Distinction between one-time and ongoing costs:

No one-time costs.

Effects of non-funding:

DSHS will continue to spend differently than appropriated in the affected programs.

Expenditure Calculations and Assumptions:

See attachment 'AW M2-9T Transfers.xls'.

DP Code/Title: M2-9T Transfers

Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H3 080 2005-07 Agency Request 2007 Sup

Object Detail		FY 1	FY 2	Total
Overall Funding				
A	Salaries And Wages	0	(46,000)	(46,000)
B	Employee Benefits	0	(15,000)	(15,000)
E	Goods And Services	0	(362,000)	(362,000)
T	Intra-Agency Reimbursements	0	(7,000)	(7,000)
	Total Objects	**0**	**(430,000)**	**(430,000)**

DSHS Source Code Detail

Overall Funding		FY 1	FY 2	Total
Fund 001-1, General Fund - Basic Account-State				
Sources	**Title**			
0011	General Fund State	0	(406,000)	(406,000)
	Total for Fund 001-1	**0**	**(406,000)**	**(406,000)**
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa				
Sources	**Title**			
19UL	Title XIX Admin (50%)	0	(25,000)	(25,000)
	Total for Fund 001-C	**0**	**(25,000)**	**(25,000)**
Fund 489-1, Pension Funding Stabilization Acct-State				
Sources	**Title**			
4891	Pension Funding Stabilization Acct	0	1,000	1,000
	Total for Fund 489-1	**0**	**1,000**	**1,000**
	Total Overall Funding	**0**	**(430,000)**	**(430,000)**

2007 Supplemental
M2-9T Transfers

AW M2-9T Transfers

	Program	FTEs FY07		FY2007 FUNDS State	489-1	Other	Total
010	Middle Management Reduction from MHD	(0.6)		(19,000)		(14,000)	(33,000)
	SmartBuy			(755,000)			(755,000)
	ISSD Pension Rate Redistribution				12,000	2,000	14,000
	010 Total	**(0.6)**		**(774,000)**	**12,000**	**(12,000)**	**(774,000)**
020	Middle Management Reduction from MHD	(0.3)		(10,000)		(7,000)	(17,000)
	SmartBuy			(467,000)			(467,000)
	ISSD Pension Rate Redistribution				2,000	0	2,000
	020 Total	**(0.3)**		**(477,000)**	**2,000**	**(7,000)**	**(482,000)**
030	Middle Management Reduction from MHD	5.4		176,000		122,000	298,000
	SmartBuy			(1,037,000)			(1,037,000)
	ISSD Pension Rate Redistribution				2,000	0	2,000
	030 Total	**5.4**		**(861,000)**	**2,000**	**122,000**	**(737,000)**
040	Middle Management Reduction from MHD	(0.5)		(17,000)		(11,000)	(28,000)
	SSP MOE Transfer			(1,300,000)			(1,300,000)
	SmartBuy			(1,046,000)			(1,046,000)
	ISSD Pension Rate Redistribution				2,000	1,000	3,000
	040 Total	**(0.5)**		**(2,363,000)**	**2,000**	**(10,000)**	**(2,371,000)**
050	Middle Management Reduction from MHD	(0.7)		(23,000)		(16,000)	(39,000)
	SmartBuy			(379,000)			(379,000)
	ISSD Pension Rate Redistribution				2,000	2,000	4,000
	050 Total	**(0.7)**		**(402,000)**	**2,000**	**(14,000)**	**(414,000)**
060	Middle Management Reduction from MHD	(1.0)		(31,000)		(21,000)	(52,000)
	SSP MOE Transfer			1,300,000			1,300,000
	SmartBuy			(1,519,000)			(1,519,000)
	ISSD Pension Rate Redistribution				31,000	9,000	40,000
	060 Total	**(1.0)**		**(250,000)**	**31,000**	**(12,000)**	**(231,000)**
070	Middle Management Reduction from MHD	(0.2)		(6,000)		(5,000)	(11,000)
	SmartBuy			(49,000)	0		(49,000)
	070 Total	**(0.2)**		**(55,000)**	**0**	**(5,000)**	**(60,000)**
080	Middle Management Reduction from MHD	(1.0)		(36,000)		(25,000)	(61,000)
	SmartBuy			(370,000)			(370,000)
	ISSD Pension Rate Redistribution				1,000	0	1,000
	080 Total	**(1.0)**		**(406,000)**	**1,000**	**(25,000)**	**(430,000)**
100	Middle Management Reduction from MHD	(0.1)		(4,000)		(2,000)	(6,000)
	SmartBuy			(79,000)			(79,000)
	ISSD Pension Rate Redistribution				2,000	0	2,000
	100 Total	**(0.1)**		**(83,000)**	**2,000**	**(2,000)**	**(83,000)**
110	Middle Management Reduction from MHD	(1.0)		(30,000)		(21,000)	(51,000)
	Central Services Transfer			(1,498,000)		(673,000)	(2,171,000)
	SmartBuy			5,701,000			5,701,000
	ISSD Pension Rate Redistribution				(54,000)	(14,000)	(68,000)
	110 Total	**(1.0)**		**4,173,000**	**(54,000)**	**(708,000)**	**3,411,000**
145	Central Services Transfer	0.0		1,498,000		673,000	2,171,000
	145 Total	**0.0**		**1,498,000**	**0**	**673,000**	**2,171,000**
150	SmartBuy	0.0		0	0		0
	150 Total	**0.0**		**0**	**0**	**0**	**0**
	Agency-Wide:	(0.0)		0	0	0	0
				0		0	0

There are multiple components to ML-9T Transfers:

Middle Management Reduction Redistribution of MHD Category 9000 (010, 020, 030, 040, 050, 060, 070, 080, 100, 110)

SSP MOE Transfer (040, 060)

SmartBuy (110 to 010, 020, 030, 040, 050, 060, 070, 080, 100, 150)

Central Services (110 to 145)

ISSD Pension Rate Plan 1 Redistribution (110 to 010, 020, 030, 040, 050, 060, 080, 100)

DP Code/Title: M2-VT OB-2 Rehabilitation
Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H3 080 2005-07 Agency Request 2007 Sup

Recommendation Summary Text:

The Department of Social and Health Services (DSHS) requests $895,000 and 1.0 FTE beginning July 1, 2006 for expenses associated with the upcoming rehabilitation of Office Building -2 (OB-2) DSHS Headquarters.

Fiscal Detail:

Operating Expenditures

	FY 1	FY 2	Total
Overall Funding			
001-1 General Fund - Basic Account-State	0	7,000	7,000
Total Cost	**0**	**7,000**	**7,000**

Staffing

Package Description:

DSHS requests $895,000 and 1.0 FTE for Fiscal Year 2007 for the costs associated with rehabilitating OB-2.

Headquarters operations are housed in Office Building 2 on East Capital Campus, this includes several DSHS Administrations as well as DSHS Executive Management.

The department of General Administration (GA) has a rehabilitation plan for OB-2 that includes the seismic retrofit of the facility. This renovation is required to improve the structural integrity and energy efficiency of the building.

For this renovation to occur, DSHS will have to vacate one quarter of the facility in phases over approximately 18 months. This request includes moving expenses associated with this renovation. Approximately 20,000 square feet of temporary space will have to be leased for DSHS to vacate the necessary space for construction. DSHS will require 1.0 FTE to begin work to support these activities. This FTE will complete DSHS facility programming, move planning, staff communication, and move coordination in collaboration with GA FTEs. This FTE will be responsible for ensuring effective space usage to achieve an anticipated reduction of 22,000 square feet in Thurston County. In order to complete this comprehensive planning a dedicated resource is needed.

Narrative Justification and Impact Statement

How contributes to strategic plan:

This project contributes to the Agency goal to "value and develop employees" and the objective to "provide the infrastructure, information, and systems to help employees do their jobs".

This project will provide approximately 950 DSHS staff with the facilities infrastructure to do their jobs in a safe working environment.

Performance Measure Detail

Agency Level

Reason for change:

This project will support GA's efforts to improve the safety of OB-2 for building tenants during an earthquake. Specifically, it will improve the building structure to increase life safety levels in the event of an earthquake, other natural disaster, or

DP Code/Title: M2-VT OB-2 Rehabilitation

Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H3 080 2005-07 Agency Request 2007 Sup

man-made disaster.

In addition, this renovation is expected to improve energy efficiency with the replacement of windows and improvements to the buildings Heating, Ventilation And Cooling (HVAC) systems.

This project is the final phase of GA's multi-phased building rehabilitation. It is important to staff safety to complete this project at this time.

In conjunction with the rehabilitation, the DSHS Communication Room will be consolidated into the Department of Information Services (DIS) Local Area Network (LAN) room located on the Service Level of OB-2. This will allow for better infrastructure support for some of the most critical Information Technology (IT) equipment for DSHS.

Impact on clients and services:

This project is not expected to be disruptive to DSHS client services.

There will be minimal disruption to business operations for building tenants while the phased relocations occur.

Impact on other state programs:

GA will be impacted by this project. GA is responsible for building operations and construction management of this project.

Relationship to capital budget:

GA is submitting a capital budget request to complete the design and construction of this project.

GA's request is OB-2 Rehabilitation, number 1998-1-007. It is estimated to cost $12.4 million and will be funded by a Certificate of Participation (COP).

Required changes to existing RCW, WAC, contract, or plan:

None

Alternatives explored by agency:

DSHS considered vacating the building all at once.

Cons:
This model would have increased the costs of temporary relocation to nearly $13,000,000. This model would have required DSHS to lease approximately 260,000 square feet of temporary space in Thurston County.

Pros:
This would have been less disruptive to staff and services provided in OB-2. This would have allowed construction to occur faster and would have reduced construction costs.

The alternative selected is the best alternative because it will reduce the costs of this project by over half. In addition, this will significantly reduce the amount of temporary leased space to approximately 8% of the other alternative.

This project has not been assessed against best practices. It is being developed and implemented using recently improved procedures for the construction of DSHS leased space.

Budget impacts in future biennia:

DP Code/Title: M2-VT OB-2 Rehabilitation

Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H3 080 2005-07 Agency Request 2007 Sup

This project is expected to span two biennia. The estimated cost, as assumed based on the current GA schedule, for the 2007-09 biennium is $2,257,000 and $2,317,000 for the 2009-11 biennium.

Beyond the 2009-11 biennium, DSHS will continue to incur an estimated $200,000 annually for the continued maintenance of the LAN room, which is payable to DIS.

In addition, because the Capital Project will be funded through a COP, GA will be increasing the DSHS reimbursable fees to pay for the construction. This will create a fiscal impact to the GA revolving fund in program 145 (Payments to Other Agencies). Estimated costs have not been provided to date from GA. GA is creating a pro forma to document these increased costs.

This remodel is expected to greatly improve the space usage in OB-2, to the point that DSHS will be able to vacate existing DSHS leaseholds. Following the remodel, DSHS will vacate a leased facility.

The shifting of staff in Thurston County is expected to result in a in total lease cost reduction of $482,000 annually or $964,000 a biennium.

Distinction between one-time and ongoing costs:

This request is predominantly all one-time costs, except for the cost of the increased charges to DIS for the maintenance of the LAN room. These costs are to pay for the infrastructure DSHS will be using in this room on an ongoing basis.

Effects of non-funding:

If funding is not provided, this project will not occur.

Expenditure Calculations and Assumptions:

See attachment 'AW M2-VT OB-2 Rehabilitation.xls'.

Object Detail	FY 1	FY 2	Total
Overall Funding			
T Intra-Agency Reimbursements	0	7,000	7,000

DSHS Source Code Detail

Overall Funding	FY 1	FY 2	Total
Fund 001-1, General Fund - Basic Account-State			
Sources Title			
0011 General Fund State	0	7,000	7,000
Total for Fund 001-1	**0**	**7,000**	**7,000**
Total Overall Funding	**0**	**7,000**	**7,000**

Program	Non-TZ Objects by FY			ISSD - TZ			Total		
	2006	2007	Total	2006	2007	Total	2006	2007	Total
010			0		166,000	166,000	0	166,000	166,000
020			0		34,000	34,000	0	34,000	34,000
030			0		34,000	34,000	0	34,000	34,000
040			0		28,000	28,000	0	28,000	28,000
050			0		35,000	35,000	0	35,000	35,000
060			0		362,000	362,000	0	362,000	362,000
070			0		1,000	1,000	0	1,000	1,000
080			0		7,000	7,000	0	7,000	7,000
100			0		10,000	10,000	0	10,000	10,000
110		94,000	94,000		124,000	124,000	0	218,000	218,000
150		801,000	801,000		(801,000)	(801,000)	0	0	0
Total	0	895,000	895,000	0	0	0	0	895,000	895,000

State/Other Split

Program	**State**			**Other**			Total		
	2006	2007	Total	2006	2007	Total	2006	2007	Total
010		114,000	114,000		52,000	52,000		166,000	166,000
020		34,000	34,000		0	0		34,000	34,000
030		24,000	24,000		10,000	10,000		34,000	34,000
040		19,000	19,000		9,000	9,000		28,000	28,000
050		19,000	19,000		16,000	16,000		35,000	35,000
060		181,000	181,000		181,000	181,000		362,000	362,000
070		1,000	1,000		0	0		1,000	1,000
080		7,000	7,000		0	0		7,000	7,000
100		8,000	8,000		2,000	2,000		10,000	10,000
110		139,000	139,000		79,000	79,000		218,000	218,000
150		0	0		0	0		0	0
Total	0	546,000	546,000	0	349,000	349,000	0	895,000	895,000

2007 Supplemental
M2-VT OB-2 Rehabilitation

OB-2 Rehabilitation Summary

STAFF COSTS	FTE'S	COSTS PER ITEM	TOTAL COST	FY07
Facilties Project Manager	1	$ 95,000	$ 95,000	$ 95,000
IT Coordinator	0.5	$ 48,000	$ 48,000	$ -
Total Annual Staffing Estimate			***$ 143,000***	***$ 95,000***

OB2 COSTS

INFRASTRUCTURE& MOVING COSTS

	NUMBER OF ITEMS	COSTS PER ITEM	TOTAL COST	FY07
Voice and Data Expenses				
DIS Costs				
Relocation and Installation of Equipment		-	-	600,000
DIS Maintenance Costs for Relocation of LAN Room		200,000	200,000	200,000
Subtotal: Total Project Estimate			***1,540,000***	***800,000***

GRAND TOTAL	**$ 895,000**

05-07 Biennium $ 895,000

Assumptions:
Tempoary LAN Room includes: equipment, HVAC, and Set-up

2007 Supplemental
M2-VT OB-2 Rehabilitation

OB-2 Rehabilitation Summary

	FY07	FTE	A	B	E	J	TZ	TOTAL
010	Children and Family Services						166,000	166,000
020	Juvenile Rehabilitation						34,000	34,000
030	Mental Health						32,000	32,000
040	Developmental Disabilities						28,000	28,000
050	Aging and Adult Services						35,000	35,000
060	Economic Services						362,000	362,000
070	Alcohol and Substance Abuse						1,000	1,000
080	Medical Assistance						7,000	7,000
100	Vocational Rehabilitation						8,000	8,000
100-1	Deaf & Hard of Hearing						2,000	2,000
110	Administration	1.0	63,000	16,000	7,000	8,000	124,000	218,000
SCC	Special Commitment Center						2,000	2,000
150	Information System Services Division	-	-	-	801,000	-	(801,000)	-
	Total	***1.0***	***63,000***	***16,000***	***808,000***	***8,000***	***-***	***895,000***

	Biennial TOTAL	FTE	A	B	E	J	TZ	TOTAL
010	Children and Family Services	-	-	-	-	-	166,000	166,000
020	Juvenile Rehabilitation	-	-	-	-	-	34,000	34,000
030	Mental Health	-	-	-	-	-	32,000	32,000
040	Developmental Disabilities	-	-	-	-	-	28,000	28,000
050	Aging and Adult Services	-	-	-	-	-	35,000	35,000
060	Economic Services	-	-	-	-	-	362,000	362,000
070	Alcohol and Substance Abuse	-	-	-	-	-	1,000	1,000
080	Medical Assistance	-	-	-	-	-	7,000	7,000
100	Vocational Rehabilitation	-	-	-	-	-	8,000	8,000
100-1	Deaf & Hard of Hearing	-	-	-	-	-	2,000	2,000
110	Administration	0.5	63,000	16,000	7,000	8,000	124,000	218,000
SCC	Special Commitment Center	-	-	-	-	-	2,000	2,000
150	Information System Services Division	-	-	-	801,000	-	(801,000)	-
	Total	***0.5***	***63,000***	***16,000***	***808,000***	***8,000***	***-***	***895,000***

2007 Supplemental
M2-VT OB-2 Rehabilitation

PROGRAM 110 STAFF COSTS

	FY 06	FY 07	TOTAL
FTE			
Facilities Project Manager	-	1.0	0.5
TOTAL	-	1.0	0.5
OBJECTS			
SALARY			
Facilities Project Manager	-	63,000	63,000
TOTAL	-	63,000	63,000
BENEFITS			
Facilities Project Manager	-	16,000	16,000
TOTAL	-	16,000	16,000
GOODS AND SERVICES			
Facilities Project Manager	-	7,000	7,000
TOTAL	-	7,000	7,000
EQUIPMENT			
Facilities Project Manager	-	8,000	8,000
TOTAL	-	8,000	8,000
ISSD-TZ			
Facilities Project Manager	-	1,000	1,000
TOTAL	-	1,000	1,000
TOTAL			
Facilities Project Manager	-	95,000	95,000
	-	-	-
TOTAL	-	95,000	95,000
FUNDS			
STATE			
Facilities Project Manager	-	61,000	61,000
TOTAL	-	61,000	61,000
FEDERAL			
Facilities Project Manager	-	34,000	34,000
TOTAL	-	34,000	34,000
TOTAL			
Facilities Project Manager	-	95,000	95,000
	-	-	-
TOTAL	-	95,000	95,000

2007 Supplemental
M2-VT OB-2 Rehabilitation

ISSD Costs

		Staff Costs	Relocation Equipment /Install	Ongoing DIS	LAN Room Equipment	Total
FY2007						
	FTE					-
A	Salaries					-
B	Benefits					-
E	Goods & Services		200,000	200,000		400,000
J	Equipment		400,000			400,000
TZ	Recoveries	-	(600,000)	(200,000)	-	(800,000)
	Total	-	-	-	-	-

	Program TZ Distribution	FY2006	FY2007
010	Children and Family Services	-	166,000
020	Juvenile Rehabilitation	-	34,000
030	Mental Health	-	32,000
040	Developmental Disabilities	-	28,000
050	Aging and Adult Services	-	35,000
060	Economic Services	-	362,000
070	Alcohol and Substance Abuse	-	1,000
080	Medical Assistance	-	7,000
100	Vocational Rehabilitation	-	8,000
100-1	Deaf & Hard of Hearing	-	2,000
110	Administration	-	123,000
SCC	Special Commitment Center	-	2,000
150	Information System Services Division	-	-
	Total	-	800,000

		Enclosure Distribution	ISSD Enterprise Distribution	Total Cost Distribution
010	Children and Family Services	11.98%	8.77%	20.75%
020	Juvenile Rehabilitation	3.11%	1.10%	4.21%
030	Mental Health	3.11%	0.91%	4.02%
040	Developmental Disabilities	1.56%	1.92%	3.48%
050	Aging and Adult Services	1.56%	2.81%	4.37%
060	Economic Services	19.26%	25.93%	45.19%
070	Alcohol and Substance Abuse	0.00%	0.11%	0.11%
080	Medical Assistance	0.00%	0.93%	0.93%
100	Vocational Rehabilitation	0.00%	1.02%	1.02%
100-1	Deaf & Hard of Hearing	0.31%	0.00%	0.31%
110	Administration	12.45%	2.93%	15.38%
SCC	Special Commitment Center	0.00%	0.23%	0.23%
150	Information System Services Division	46.66%	(46.66%)	0.00%
	Total	100.00%	0.00%	100.00%

DP Code/Title: M2-WA DDDS GF-State Disability Funding
Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H3 080 2005-07 Agency Request 2007 Sup

Recommendation Summary Text:

This request is for $525,000 GF-S to fund caseload increases in the Non-Grant Medical Assistance (NGMA) caseload.

Fiscal Detail:

Operating Expenditures		FY 1	FY 2	Total
Overall Funding				
001-1 General Fund - Basic Account-State		0	525,000	525,000
	Total Cost	**0**	**525,000**	**525,000**

Staffing

Package Description:

The Division of Disability Determination Services (DDDS) projects NGMA cases to be 11,190 in Fiscal Year 2007 up from 8,142 cases in Fiscal Year 2005. With an average cost of $172.42 per case to adjudicate, an additional $525,000 in GF-S funding is necessary to pay for the projected caseload increase.

The DDDS determines the disability status for individuals applying for Title 19 Medicaid benefits through the State. These NGMA claims come to DDDS from the Community Service, Home and Community Services, and Developmental Disabilities offices throughout the State. DDDS only assesses the individuals' alleged medical disability; there is no monetary payment to the claimant through DDDS.

In the past few years, hospitals have started to use collection agencies, and similar companies, to assist with the collection of funds from low income citizens for unpaid hospitals bills. Hospitals and their agents are applying for state assistance on behalf of low income, disabled debtors, which is causing the volume of these NGMA assistance applications to increase. The number of NGMA cases that DDDS adjudicated grew from 3,641 cases in Fiscal Year 2002 to 8,142 cases in FY 2005; a total increase of 124 percent. DDDS expects this trend to continue for the remainder of the 2007 Fiscal Year.

Based on the 7,083 NGMA cases that have been processed through March 2006, DDDS estimates a total NGMA caseload of 9,444 for Fiscal Year 2006, representing a 16.0 percent increase over the previous fiscal year. In addition to growth in total NGMA cases, the percentage of NGMA cases as part of the overall caseload (federal and NGMA cases combined) is also increasing. In Fiscal Year 2002, about 4.8 percent of DDDS' caseload were NGMA-related. This percentage has increased steadily by about 1.71 percent per year. To date in Fiscal Year 2006, NGMA cases represented 11.2 percent of DDDS' total caseload. DDDS anticipates that NGMA cases will total 11,190 cases in Fiscal Year 2007, representing 12.9 percent of the total expected DDDS caseload.

As costs associated with processing NGMA cases must be fully funded through the State (no federal funding can be used), DDDS will need an increase in state funding to accommodate this workload trend.

H001 - Administrative Costs

Narrative Justification and Impact Statement

How contributes to strategic plan:

The NGMA program supports DSHS' commitment to assist state residents in obtaining equal access to quality medical treatment. Medical providers may choose not to treat low income individuals if they know they will not be paid for their

DP Code/Title: M2-WA DDDS GF-State Disability Funding

Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H3 080 2005-07 Agency Request 2007 Sup

services.

Performance Measure Detail

Agency Level

Activity: H001 Administrative Costs	Incremental Changes FY 1	FY 2
No measures linked to package	0.00	0.00

Reason for change:

The increase in GF-State funding is requested due to a historically observed increase in NGMA caseload and a shortage in State funding to process the expected caseload in Fiscal Year 2007.

Impact on clients and services:

Funds to support the NGMA claims will ensure that DDDS has the resources to adjudicate the additional NGMA cases that are expected in FY 2007. This will not only support greater access to quality medical treatment for our low income residents, but will also help the medical community to obtain reimbursement for their services.

Impact on other state programs:

If the funds are not allotted to the DDDS budget, the cost overruns would have to be absorbed by the Health and Recovery Services Administration (HRSA).

Relationship to capital budget:

None

Required changes to existing RCW, WAC, contract, or plan:

None

Alternatives explored by agency:

The Social Security Administration and DSHS have a written Memorandum of Understanding (MOU) regarding the processing of Non Grant Medical Assistance (NGMA) claims. The MOU specifically states that the state will use a "separate treasury fund" for charges associated with the processing of Title 19 Medicaid cases. The MOU further states that "DSHS will transfer sufficient operating funds as needed, in advance of the beginning of the operating period, into this treasury fund to prevent interruptions in case processing. These funds will be provided from the resources of DSHS other than the SSA Disability Program." Based on this requirement, DDDS is recommending an increase in the GF-S allotment for the expressed purpose of continuing to adjudicate NGMA cases.

Budget impacts in future biennia:

Considering that our State's medical providers are resorting to more aggressive means to seek reimbursement for the services they provide to low income, uninsured individuals, the increases in the NGMA caseload is expected to continue to grow. DDDS will need continued State financial support to meet this increased caseload.

Distinction between one-time and ongoing costs:

State funded support for this program should be considered an ongoing cost. Future biennial budgets will need to support the increasing NGMA caseload. The growth trend of NGMA cases can be expected to continue until the caseload reaches the same proportion that is representative of the population that has no medical insurance and no funds to pay for medical

DP Code/Title: M2-WA DDDS GF-State Disability Funding

Program Level - 080 Medical Assistance

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services.

Effects of non-funding:

DDDS is obligated to process the increasing NGMA caseload regardless of whether additional State funding is provided; the State will still be obligated to cover all the costs associated with NGMA caseload processing even if it chooses to not fund it. Cost overruns as a result of non-funding would have to be absorbed by Health and Recovery Services Administration (HRSA).

Expenditure Calculations and Assumptions:

Models and additional information are available in: "2007 Supplemental DP M2WA DDDS GF-State Disability Funding Model.xls".

Object Detail		FY 1	FY 2	Total
Overall Funding				
A	Salaries And Wages	0	223,000	223,000
B	Employee Benefits	0	58,000	58,000
C	Personal Service Contracts	0	58,000	58,000
E	Goods And Services	0	48,000	48,000
G	Travel	0	2,000	2,000
N	Grants, Benefits & Client Services	0	136,000	136,000
	Total Objects	**0**	**525,000**	**525,000**

DSHS Source Code Detail

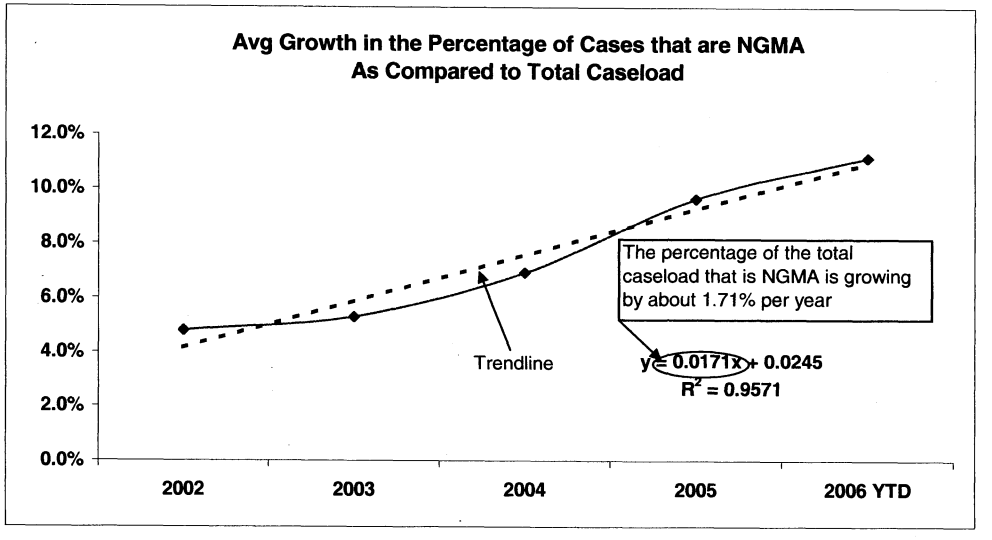
Overall Funding		FY 1	FY 2	Total
Fund 001-1, General Fund - Basic Account-State				
Sources	**Title**			
0011	General Fund State	0	525,000	525,000
	Total for Fund 001-1	**0**	**525,000**	**525,000**
	Total Overall Funding	**0**	**525,000**	**525,000**

2007 Supplemental
M2-WA DDDS GF-State Disability Funding

State Fiscal Year	2002	2003	2004	2005	2006 Est	2007 Est	2008 Est	2009 Est	2006 YTD
				Fiscal Year					
Total Cases Disposed	75,812	77,769	82,012	84,538	84,531	86,863	89,259	91,721	63,398
% Growth in Total Cases Disposed		2.58%	5.46%	3.08%	-0.01%	2.76%	2.76%	2.76%	
Federal Disability Cases	72,171	73,641	76,333	76,396	75,087	75,673	76,234	76,768	56,315
Title XIX Cases (NGMA)	3,641	4,128	5,679	8,142	9,444	11,190	13,025	14,953	7,083
%Growth in Title XIX Cases (NGMA)		13.38%	37.57%	43.37%	15.99%	30.77%	19.72%	18.48%	
T19 cases as % of Total	4.8%	5.3%	6.9%	9.6%	11.2%	12.9%	14.6%	16.3%	11.2%
Avg Title XIX Cases per Month (NGMA)	303	344	473	679	787	933	1085	1246	787
State Only Costs	$ 617,113	$ 648,914	$ 844,796	$ 1,377,189	$ 1,654,934	$ 1,929,345	$ 2,245,730	$ 2,578,150	$ 1,241,201
Estimated Monthly Expenditure	$ 51,426	$ 54,076	$ 70,400	$ 114,766	$ 137,911	$ 160,779	$ 187,144	$ 214,846	$ 137,911
Cost Per Case (Est 2007 to 2009 = Avg of 2005 and 2006)	$ 169.49	$ 157.20	$ 148.76	$ 169.15	$ 175.24	$ 172.42	$ 172.42	$ 172.42	$ 175.24
State Allotment	$ 806,675	$ 824,993	$ 946,825	$ 1,182,426	$ 1,028,000	$ 1,276,000	$ 2,245,730	$ 2,578,150	$ 1,028,000
Biennial Allotments	$ 1,631,668		$ 2,129,251		$ 2,304,000		$ 4,823,880		$ 2,304,000
% Change			30.5%		8.2%				8.2%

Projected Need	FY 2007	FY 2008	FY 2009
Total Cases Disposed	86,863	89,259	91,721
Federal Disability Cases	75,673	76,234	76,768
Title XIX Cases (NGMA)	3,048	4,883	6,811
Cost / Title XIX Case (Weighted Avg of 2005 and Est 2006)	$ 172.42	$ 172.42	$ 172.42
State Funding to be Requested	$ 525,527	$ 841,912	$ 1,174,331

Object Breakdown	FY 2007	FY 2008	FY 2009
A	$ 223,000	$ 357,000	$ 498,000
B	$ 58,000	$ 93,000	$ 130,000
C	$ 58,000	$ 93,000	$ 130,000
E	$ 48,000	$ 77,000	$ 107,000
G	$ 2,000	$ 4,000	$ 5,000
N	$ 136,000	$ 218,000	$ 304,000
T	$ -	$ -	$ 1,000
Total	$ 525,000	$ 842,000	$ 1,175,000



From AFRS, Administrative Costs that are State Funded, As of May 31, 2006

	A	B	C	E	G	N	P	S	T	Total
General Fund - State	640,608	167,542	166,549	137,698	6,461	390,540	0	0	877	1,510,274
Percentage Breakdown	42.42%	11.09%	11.03%	9.12%	0.43%	25.86%	0.00%	0.00%	0.06%	100.00%

DP Code/Title: M2-WB Provider One Funding
Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H3 080 2005-07 Agency Request 2007 Sup

Recommendation Summary Text:

The department is requesting an additional $1,335,000 and 7.0 FTEs for Fiscal Year 2007 to fund the Design, Development and Implementation (DDI) of a new Medicaid Management Information System (MMIS), ProviderOne.

Fiscal Detail:

Operating Expenditures	FY 1	FY 2	Total
Overall Funding			
001-1 General Fund - Basic Account-State	0	428,000	428,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	0	907,000	907,000
Total Cost	**0**	**1,335,000**	**1,335,000**

Staffing	FY 1	FY 2	Annual Avg
Agency FTEs	**0.0**	**7.0**	**3.5**

Package Description:

The department is requesting funding due to a revised schedule for MMIS vendor deliverables and project expenditures. In FY06, $10,535,000 ($1,319,000 state, $9,216,000 federal) of the allotment for the project was unspent. The revised schedule has delayed the payment of vendor deliverables, but has not increased the total contract maximum for DDI costs. The revised schedule includes an earlier implementation date for the Pharmacy Point of Sale (POS) module; the increased POS operation cost for FY07 is included in this request. The department is also requesting funds for Independent Verification and Validation (IV&V) consulting services and for seven additional project positions necessary for a timely completion of future project deliverables. The Information Services Board recently approved additional funds to the Investment Plan for IV&V, three FTEs and staffing/consulting costs associated with the revised schedule. The Investment Plan request was only for three FTEs because it already had approved unspent prior year funding available for the costs associated with four of the seven FTEs that are included in this request.

The current MMIS supports the operations, maintenance and enhancements for the Department of Social and Health Services (DSHS) Medicaid programs with provider payments and related reporting totaling over $6 billion per biennium. The Information Services Board (ISB), Centers for Medicare & Medicaid Services (CMS) and the Legislature support this re-procurement effort.

Scope:
Replacement of the MMIS is a unique opportunity, something the State of Washington has not pursued in over 20 years. Recognizing the significance of this effort, the DSHS Executive Steering Committee considered the scope of the new system and determined the future MMIS should address the following payments:

- All Medicaid payments within DSHS, and
- Similar non-Medicaid payments (both medical and social service) with similar providers and processing requirements.

This scope decision allows DSHS to consolidate all Medicaid payments and data in one payment system, consistent with the Joint Legislative Audit and Review Committee (JLARC) and CMS recommendations. Today, the Social Services Payment System (SSPS) handles a portion of Medicaid payments and a majority of state-only funded programs.

Schedule:

DP Code/Title: M2-WB Provider One Funding

Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H3 080 2005-07 Agency Request 2007 Sup

The requirements verification was completed in December 2005. The design activities to replace the current MMIS are anticipated to be complete by December 2006; with most functional groups completed by October 2006. Development activities began in January 2006 and are scheduled to complete by March 2007. The implementation schedule for the MMIS replacement has been revised to achieve a phased release strategy with the Pharmacy Point-of Sale module scheduled for April 2007 - earlier than originally planned; the Provider Registration module scheduled for June 2007 - according to the original schedule; and complete replacement of the existing MMIS in FY08. Once the ProviderOne system is operational and processing all claims previously paid in the current MMIS, a 24 month phased implementation schedule will begin to transition other Medicaid and non-Medicaid programs from SSPS and manual A-19's to the new ProviderOne system.

Staffing:
Approved staffing for FY07 is 46 FTEs. An additional 7 FTEs are included in this request. These additional positions will fill critical gaps in project resources that are necessary for successful completion of the project implementation.

Four new positions are for business and technical analyst positions to augment staffing resources necessary to coordinate the high level of department involvement in the project design, development and implementation. These positions will be reduced following the implementation of the MMIS replacement.

Three new positions are for DSHS administration subject matter experts from Aging and Disability Services Administration (ADSA), Children's Administration (CA) and Financial Services Administration (FSA) to coordinate the department's project responsibilities associated with implementation of standardized codes and interface development. Additional funding to the investment plan has been approved by the ISB for these positions.

Budget - Funding:
This decision package includes a request for $141,000 for the following changes:

- Revised schedule for MMIS vendor deliverables
- Revised schedule for IT infrastructure upgrades
- Revised schedule for consulting support
- Reduce IT infrastructure budget to fund 4 additional FTE's

Budget - Additional Funding:
This decision package includes a request for additional funding for FY07 to support the following changes:

- $667,000 for Independent Verification and Validation (IV & V) vendor payments for verification of technical, planning, and management aspects of the ProviderOne project,
- $335,000 for 3 additional FTEs to coordinate the department's project responsibilities associated with implementation of standardized codes and interface development, and
- $192,000 for the incremental cost of operations of the ProviderOne Pharmacy Claims Processing module.

Narrative Justification and Impact Statement

How contributes to strategic plan:

The ProviderOne project supports the Health and Recovery Services Administration (HRSA) strategic goal of strengthening data-driven decision making by expanding and leveraging information technologies.

The implementation of ProviderOne will close a significant performance gap currently existing in the management of Medicaid. The following are currently existing critical business issues that ProviderOne is meant to assist in resolving:
- Current system does not meet business needs. The system's architecture prevents it from being easily modified to respond to policy and program changes, and lacks ready access to data for critical reporting, analysis and decision support

DP Code/Title: M2-WB Provider One Funding

Program Level - 080 Medical Assistance

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activities.

- High costs for modification to respond to rapid changes in supporting systems. Because of the technology used, changes require code modification.
- Poor ability to interface with other systems. Interface options are limited due to the overall system design.
- Bringing critical data together. Current MMIS environment allows for Medicaid payments and/or data from multiple sources. Consolidation increases the ability to manage and report on the entire Medicaid program. Further, a newly designed architecture will allow for consolidation of other authoritative data sources (such as CMS, EDB, and DOH vital statistics data) to enhance payment and data accuracy.
- The limited support of digital government and e-business initiatives. The current system technology does not easily interact with recent technologies needed to provide e-business type services.

Performance Measure Detail

Agency Level

Activity: H001 Administrative Costs	Incremental Changes FY 1	FY 2
No measures linked to package	0.00	0.00

Reason for change:

Upon contract award to the MMIS vendor in January 2005, the ProviderOne schedule was defined as 30 months for Phase 1 and an additional 24 months for Phase 2. To minimize the risk of a "Big Bang" project implementation, the ProviderOne project revised the original Phase 1/Phase 2 implementation plans to now reflect a more staged implementation consisting of a series of iterative software releases. The first release will result in implementation of the Pharmacy Claims Processing earlier than originally planned, followed by a new release to support provider registration and the Medical Claims Processing release 6 months later than originally planned. The new Provider Registration release will support early registration of providers in the new system a full 6-months before the Medical Claims Processing release. Lessons learned in other states and from the HIPAA implementation in October 2003 indicate that early outreach, registration, training and testing with the provider community is critical to continuous, uninterrupted processing of provider payments.

In July 2006, the ISB approved a revised Investment Plan that identifies a 36-month schedule for the original Phase 1 and a 24 month schedule for the original Phase 2. As a fixed price, deliverable based contract, payments to the MMIS vendor do not change as a result in schedule modifications. However, deliverable payments shift into different fiscal years due to the updated schedule and state costs to operate the ProviderOne project increase, primarily to support continued involvement by state and contracted resources responsible for Project Management, Quality Assurance (QA) and Independent Verification & Validation (IV & V).

Early release of the Pharmacy Claims Processing module incrementally increases vendor operations costs compared to the carry forward allotments. The increase to operations costs was previously assumed to being in FY08. Only the incremental operations costs specific to the Pharmacy Claims Processing module are included in this request.

Project sponsors have recommended that project oversight include IV&V services in addition to the current Quality Assurance services. The Information Services Board (ISB) and CMS have both approved additional project funding for IV&V services. Verification and Validation is a systems engineering discipline which helps the development organization build quality into the software during the software life cycle. The focus of these additional services is on technical processes used by the MMIS vendor (development, testing, data conversion, configuration management, etc.) and review of technical deliverables (system architecture, code, interface architecture, implementation plans, etc.). These services have been acquired through an RFP process with a vendor who is independent of the development organization and DSHS. They report their findings and recommendations to the DSHS Chief Information Officer (CIO). The scope of the IV&V services is distinctly different from the Quality Assurance services that are currently in place. Addition of these services will greatly reduce the risk of schedule delays and cost overruns due to re-work of poor quality products.

This request includes seven (7) additional FTEs to support the following critical areas:

DP Code/Title: M2-WB Provider One Funding

Program Level - 080 Medical Assistance

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- Three (3) FTEs to perform analysis of system impacts and interface requirements to support standardized social service codes across DSHS. Currently, each social service program uses different service codes for the same services in order to designate unique account coding and cost allocation information. Unique service codes make it impossible to analyze like services across clients, providers and programs. By standardizing the social service codes, DSHS will be better positioned to analyze data. However, this extensive and fundamental change impacts not only ProviderOne but several case management systems that authorize these services initially.
- Three (3) FTEs to supplement the current business analysts on the project. Each business analyst is responsible for major functional components of the MMIS (e.g., claims, provider, client, etc.). Based on the demands on the existing analysts and the size and complexity of the project (8 analysts were originally planned to cover 16 functional areas), three (3) additional FTEs were identified. This allows the project to assign a dedicated FTE to the larger, more complex areas of the system.
- One (1) FTE to perform technical analyst responsibilities in the area of system interfaces. The current project organization includes an Interface Manager to address 72 interfaces, including the highest priority interfaces of AFRS and ACES. With the addition of a technical analyst, the Interface Manager can concentrate on these high priority interfaces while the technical analyst focuses on the remaining interfaces.

Impact on clients and services:

Any program that processes claims or other transactions in the future MMIS will be affected (all Medicaid payments and similar non-Medicaid payments). The project includes a Business Process Re-engineering effort and plans for operational readiness to ensure business processes, providers and staff are ready for the new MMIS so that the impact on clients and delivery of services are minimized due to the transition.

The first release will result in implementation of the Pharmacy Claims Processing earlier than originally planned, representing 35% of the overall claim volume. One of the greatest benefits of the new Pharmacy Claims Processing component is increased automation of prior authorization requests and approvals, thereby reducing the degree of manual interaction and wait times by the provider community.

The second release results in implementation of the Provider Registration module. An extensive provider outreach campaign is planned to prepare providers and direct them to the new Provider Registration functionality a full six-months prior to implementation of the Medical Claims Processing release. This period is critical to allow providers adequate time to prepare for interacting with the new web-based payment system and enables DSHS to complete data conversion for nearly 40,000 medical providers prior to "go live". Besides supporting data conversion, the registration process will allow DSHS to measure and report the efficacy of the provider outreach campaign based on percentage of providers who register. By monitoring provider readiness to go live, DSHS can adjust and/or target its outreach campaign to assure the greatest level of continued service delivery to clients and uninterrupted payments to providers.

Impact on other state programs:

This decision package does not impact other state programs.

Relationship to capital budget:

This decision package does not impact the capital budget.

Required changes to existing RCW, WAC, contract, or plan:

This decision package will not require changes to RCWs, WACs, or state plans.

Alternatives explored by agency:

To the extent possible, the project has absorbed costs for additional staffing within the existing multi-year Investment Plan

DP Code/Title: M2-WB Provider One Funding

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budget approved by ISB. The project enters FY07 fully staffed, including the additional seven (7) FTEs requested, and does not anticipate any decrease in workload until after Phase 1 of the implementation is complete in FY08. The funding requested in the 07-09 biennium DP reflects the anticipated reductions in project staffing.

The FY07 allotment of $44.2 million was approved to fund $39.1 million of MMIS vendor deliverables, $4.1 million for 46 FTEs, $1.0 million for project management consulting and quality assurance, and less than $0.1 million for all other project costs. The revised project schedule delayed project expenditures for MMIS vendor deliverables and IT Infrastructure purchases that resulted in a net impact of $0.2 million decrease in payments scheduled for FY07 ($9.7 million of payments approved in the allotments for FY06 are now schedule for FY07, and $9.9 million of payments included in the allotments for FY07 have been rescheduled to FY08). The additional FTEs will increase the staffing costs above approved allotments, and there are no changes to the project management consulting and quality assurance costs. The FY07 allotment does not have funding available to absorb the incremental costs requested by this decision package which includes IV&V, FTEs and Pharmacy POS operations.

Other alternatives considered for the areas identified in this decision package include the following:

- IV&V: The project considered not engaging an IV&V vendor. However, the technical risks were so great this option was not considered viable. IV&V services were also outside the scope of existing contracts (i.e., QA and Project Management) and require different skill sets.
- FTEs: The project performed significant analysis around additional FTEs, focusing on only the most critical positions that are necessary for the more technical areas such as interfaces, finance and standardized codes.
- Pharmacy POS Operations: The project considered forgoing an early implementation of pharmacy, but the risks of deploying 100% of all claim volume was not found to be viable. Rather the early pharmacy release results in implementation of 35% of the claim volume followed by the remaining claims volume in a later release.

More importantly, the overall shift in funding between fiscal years is directly tied to the schedule shift of 30 to 36 months. This schedule shift is viewed as the only viable alternative to ensure the future MMIS (ProviderOne) pays providers accurately from day one of operations. Therefore, of the 3 project elements (scope, schedule, budget), ProviderOne is emphasizing quality of work products in order to ensure the system functions properly after cutover. Should the project emphasize schedule over scope, the long-term impacts will be even more costly due to re-work in system design, development and testing, re-processing and clean-up of incorrect claims, delay in provider payments, and potentially jeopardizing federal funding participation. This is not to say that budget is not a major concern; however, as a deliverables based contract the vendor's payments are fixed. This type of contract protects the state from vendor cost over-runs, minimizing the overall risk to budget.

Given this approach, DSHS is monitoring overall progress against the schedule with a plan to incrementally re-evaluate the implementation date at two (2) more major milestones. The next re-projection of the schedule will be during integration testing next spring and finally during User Acceptance Testing (UAT) in FY08.

Budget impacts in future biennia:

One time costs:
Implementation costs for staffing, project management, IV & V and quality assurance are scheduled to continue into FY10. Additionally, the portion of contracted MMIS vendor implementation deliverables scheduled for FY10 is $1.4 million.

It should be noted that the contract with the MMIS replacement vendor, CNSI, is a fixed price deliverable based contract. Therefore schedule changes do not result in an increase to the total cost of the contract; however the estimate of contract expenditures within specific fiscal years will fluctuate as the schedule for contracted deliverables changes.

On-going costs:

DP Code/Title: M2-WB Provider One Funding

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The improved functionality and technology of the new system will increase the on-going operation costs for the new system, as compared to the operations cost of the existing legacy system that is inflexible to providing many of the services necessary to support the current and future business environments. Future biennia vendor operations costs are estimated at $35 million ($13 million is in the carry forward budget from the 0507 biennium to the 0709 biennium).

Distinction between one-time and ongoing costs:

$192,000 of the additional funding requested for FY07 is the incremental amount of the on-going cost for operations of the Pharmacy POS module. All other costs included in this decision package are one-time costs for the design, development and implementation of the new MMIS.

Effects of non-funding:

The additional funding is primarily for IV&V and FTE costs described above. The impact of not funding this request increases the overall risks of the project. ProviderOne is a highly technical implementation involving a prime MMIS vendor and several sub-contractors who are responsible for delivering Commercial Off-the-Shelf (COTS) products. Integration of the products across multiple software releases is a highly technical endeavor. The addition of the IV & V vendor is primarily to address this technical risk thereby increasing the likelihood of success.

The additional FTEs are necessary to address increased state workload to support the initiative to standardize social service codes and for key financial interfaces including AFRS. ProviderOne is a large investment. IV & V and FTEs to address these critical financial interfaces are necessary to ensure a successful implementation for a mission critical payment system that makes payments for nearly $4 Billion annually in Medicaid funds.

The effect of non-funding for the funding shift for vendor deliverables is discussed in the 07-09 Biennium budget decision package.

Expenditure Calculations and Assumptions:

See attachment - 2007 Supplemental DP M2WC Provider Background Checks Model.xls

Object Detail		FY 1	FY 2	Total
Overall Funding				
A	Salaries And Wages	0	478,000	478,000
B	Employee Benefits	0	115,000	115,000
C	Personal Service Contracts	0	817,000	817,000
E	Goods And Services	0	(82,000)	(82,000)
T	Intra-Agency Reimbursements	0	7,000	7,000
	Total Objects	**0**	**1,335,000**	**1,335,000**

DP Code/Title: M2-WB Provider One Funding

Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H3 080 2005-07 Agency Request 2007 Sup

DSHS Source Code Detail

Overall Funding		FY 1	FY 2	Total
Fund 001-1, General Fund - Basic Account-State				
Sources	**Title**			
0011	General Fund State	0	428,000	428,000
	Total for Fund 001-1	**0**	**428,000**	**428,000**
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa				
Sources	**Title**			
19UD	Title XIX Admin (90%)	0	309,000	309,000
19UG	Title XIX Admin (75%)	0	306,000	306,000
19UL	Title XIX Admin (50%)	0	292,000	292,000
	Total for Fund 001-C	**0**	**907,000**	**907,000**
	Total Overall Funding	**0**	**1,335,000**	**1,335,000**

2007 Supplemental
M2-WB-Provider One Funding

DSHS ProviderOne Project
Funding Shift of 05-07 Biennium Allotments

	FY06	FY07	FY08	FY09		
Revisions:						
Rescheduled from FY06 to FY07	(8,729,000)	8,729,000			-	Revised schedule for MMIS vendor deliverables
Rescheduled from FY07 to FY08		(9,944,000)	9,944,000		-	Revised schedule for MMIS vendor deliverables
Net change to MMIS vendor costs	(8,729,000)	(1,215,000)	9,944,000			
IT Infrastructure Upgrades	(800,000)	800,000			-	Revised schedule for IT infrastructure upgrades
Consulting Support	(150,000)	150,000			-	Revised schedule for consulting support
Shift IT infrastructure allotments to fund 4 additional FTEs	(856,000)	406,000	377,000	73,000	-	Reduce IT infrastructure budget to fund 4 additional FTE's
Total Funding Shift	(10,535,000)	141,000	10,321,000	73,000		
Additional Funding:						
Independent verification and validation (IV & V)		667,000			-	Vendor payments for verification of technical, planning, and management aspects of the ProviderOne project.
3 FTEs		335,000			-	To coordinate the department's project responsibilities associated with implementation of standardized codes and interface development.
Pharmacy Claims Processing module		192,000			-	For the incremental cost of operations of the ProviderOne Pharmacy Claims Processing module.
Total Additional Funding		1,194,000				
Total FY07 Supplemental Request		1,335,000				

Object Detail FY 2007	Totals	DDI 90/10			DDI 75/25			DDI 50/50			Operations 75/25			State Funds	Federal Funds		
		State	Fed	Total	State	Fed	Total	State	Fed	Total	State	Fed	Total				
A Salaries and Wages	$ 478,000	$ 47,800	$ 430,200	$ 478,000										$ 47,800	$ 430,200	$ 48,000	$ 430,000
B Employee Benefits	$ 115,000	$ 11,500	$ 103,500	$ 115,000										$ 11,500	$ 103,500	$ 11,000	$ 104,000
C Contract	$ 817,000	$ 81,700	$ 735,300	$ 817,000										$ 81,700	$ 735,300	$ 82,000	$ 735,000
E Goods and Services	$ (82,000)	$ (107,400)	$ (966,600)	$ (1,074,000)	$ 54,000	$ 162,000	$ 216,000	$ 292,000	$ 292,000	$ 584,000	$ 48,000	$ 144,000	$ 192,000	$ 286,600	$ (368,600)	$ 286,000	$ (368,000)
G Travel		$ -	$ -											$ -	$ -	$ -	$ -
T Intra-Agency Reimbursements	$ 7,000	$ 700	$ 6,300	$ 7,000										$ 700	$ 6,300	$ 1,000	$ 6,000
Total FY07	$ 1,335,000	$ 34,300	$ 308,700	$ 343,000	$ 54,000	$ 162,000	$ 216,000	$ 292,000	$ 292,000	$ 584,000	$ 48,000	$ 144,000	$ 192,000	$ 428,300	$ 906,700	$ 428,000	$ 907,000
		$ 34,000	$ 309,000	$ 343,000	$ 54,000	$ 162,000	$ 216,000	$ 292,000	$ 292,000	$ 584,000	$ 48,000	$ 144,000	$ 192,000	$ 428,000	$ 907,000		

Leases
7 FTEs @ $395.83/mo for 12 mos. $ 33,249.72 $ 33,000.00

DP Code/Title: M2-WC Provider Background Checks

Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H3 080 2005-07 Agency Request 2007 Sup

Recommendation Summary Text:

This request is for $36,000 (total funds) to process provider backgrounds checks through the U.S. Department of Health and Human Services' Healthcare Integrity and Protection Data Bank (HIPDB).

Fiscal Detail:

Operating Expenditures	FY 1	FY 2	Total
Overall Funding			
001-1 General Fund - Basic Account-State	0	18,000	18,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	0	18,000	18,000
Total Cost	**0**	**36,000**	**36,000**

Staffing

Package Description:

To ensure the quality of care for Washington State clients, DSHS staff must perform background checks on current and new medical providers. This request is for $36,000 (total funds) to access the HIPDB, a national provider database used to process background checks.

The Secretary of the U.S. Department of Health and Human Services, acting through the Office of Inspector General (OIG), was directed by the Health Insurance Portability and Accountability Act of 1996 to create the Healthcare Integrity and Protection Data Bank (HIPDB) to combat fraud and abuse in health insurance and health care delivery. Health care fraud burdens the nation with enormous financial costs and threatens the quality of health care and patient safety. Estimates of annual losses due to health care fraud range from three to ten percent of all health care expenditures--between $30 billion and $100 billion based on estimated 1997 expenditures of over $1 trillion.

The HIPDB is primarily a flagging system that can also be used to query to obtain individual provider informations. The system serves to alert users when more information regarding the status of a practitioner, provider or supplier may be prudent. The information available includes licensing and certification actions, civil judgements, criminal convictions, exclusions from Federal or State health care programs and other adjudicated actions or decisions.

The Health and Recovery Services Administration (HRSA) started using the HIPDB in Fiscal Year 2005. HRSA Provider Enrollment staff and the Division of Medical Management query the HIPDB approximately 617 times per month at a rate of $4.75 per check with a one percent hit rate for problem providers. The data bank has proven useful to HRSA staff in their efforts to ensure that we contract with safe, professional providers. The State Auditor's Office also promotes this activity for the same reasons.

Narrative Justification and Impact Statement

How contributes to strategic plan:

Goal 3 under the Priorities of Government requires the state to "Improve the health of Washingtonians". DSHS is the largest sponsor of health care coverage in Washington State; assuring safe providers of care will contribute to meeting this goal.

Performance Measure Detail

Agency Level

DP Code/Title: M2-WC Provider Background Checks
Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H3 080 2005-07 Agency Request 2007 Sup

Activity: H001 Administrative Costs	Incremental Changes FY 1	FY 2
No measures linked to package	0.00	0.00

Reason for change:

The agency would like to continue and increase the use of the HIPDB to ensure that we contract with safe, professional providers.

Impact on clients and services:

The use of HIPDB will assure higher quality care, reduce client complaints and, most importantly, reduce bad medical outcomes.

Impact on other state programs:

No other programs will be impacted.

Relationship to capital budget:

This package has no impact on the capital budget.

Required changes to existing RCW, WAC, contract, or plan:

This package requires no change to existing RCWs, WACs, contracts or state plans.

Alternatives explored by agency:

This is the most widely-used database for verifying that a provider has a safe record. No other alternatives were considered.

Budget impacts in future biennia:

Because HRSA is converting to a new Medical Management Information System (ProviderOne), we expect use of HIPDB to peak during the 07-09 biennium and decline thereafter. In future years, the costs will be adjusted to reflect any fee increases or decreases in use.

Distinction between one-time and ongoing costs:

This package contains only ongoing costs.

Effects of non-funding:

Not funding use of this tool could jeopardize the safety and well-being of Washington State's medical assistance clients, and increase the department's exposure to litigation.

Expenditure Calculations and Assumptions:

Based on current use, the average number of background checks per month has been 617. HRSA staff predict an increase to about 630 checks per month in the 07-09 Biennium. The cost to perform 630 checks per month at a rate of $4.75 per check will be approximately $36,000 per year.

Please refer to the model, "2007 Supplemental DP M2WC Provider Background Checks Model.xls".

DP Code/Title: M2-WC Provider Background Checks

Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H3 080 2005-07 Agency Request 2007 Sup

Object Detail	FY 1	FY 2	Total
Overall Funding			
E Goods And Services	0	36,000	36,000

DSHS Source Code Detail

Overall Funding	FY 1	FY 2	Total
Fund 001-1, General Fund - Basic Account-State			
Sources Title			
0011 General Fund State	0	18,000	18,000
Total for Fund 001-1	**0**	**18,000**	**18,000**
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa			
Sources Title			
19UL Title XIX Admin (50%)	0	18,000	18,000
Total for Fund 001-C	**0**	**18,000**	**18,000**
Total Overall Funding	**0**	**36,000**	**36,000**

2007 Supplemental
M2-WC-Provider Background Checks

Provider Checks			
(Actual HIPDB Transactions From Chase Credit Card State			
Trans. Period	Total Charges	Rate	Checks
07/11 - 08/08/05	$ 2,758.25	$ 4.25	649
08/09 - 09/07/05	$ 2,941.00	$ 4.25	692
09/08 - 10/07/05	$ 2,881.50	$ 4.25	678
10/10 - 11/08/05	$ 3,238.50	$ 4.25	762
11/09 - 12/07/05	$ 2,027.25	$ 4.25	477
12/08/05 - 01/06/06	$ 2,511.75	$ 4.25	591
01/09 - 02/08/06	$ 2,316.25	$ 4.25	545
02/09 - 03/08/06	$ 2,409.75	$ 4.25	567
03/09 - 04/07/06	$ 2,541.50	$ 4.25	598
04/10 - 05/08/06	$ 2,010.25	$ 4.25	473
05/09 - 06/07/06	$ 3,562.50	$ 4.75	750
Totals	$ 29,198.50		6,782
Monthly Average	$ 2,654.41		617
Estimates at $4.75 Rate			
Monthly Estimate	$ 2,930.75	$ 4.75	617
Yearly Estimate	$ 35,169.00	$ 4.75	7,404

	Federal	State	Total
Object E	$18,000	$18,000	$36,000

DP Code/Title: M2-WD CPE Program Update

Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H3 080 2005-07 Agency Request 2007 Sup

Recommendation Summary Text:

This request is for $1,058,000 (total funds) to update the funding for the Certified Public Expenditure (CPE) program for Fiscal Year 2007.

Fiscal Detail:

Operating Expenditures	FY 1	FY 2	Total
Overall Funding			
001-1 General Fund - Basic Account-State	0	29,352,000	29,352,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	0	(28,294,000)	(28,294,000)
Total Cost	**0**	**1,058,000**	**1,058,000**

Staffing

Package Description:

This request is for $1,058,000 (total funds) to update the funding for the CPE program for Fiscal Year 2007. This funding request is based upon the Medical Assistance October 2006 Forecast and estimated Fiscal Year 2006 CPE hospital costs.

The CPE program was developed and approved in the 2005-07 biennium as a replacement program for the Inter-Governmental Transfer program. This request reflects the increased funding needed to update the CPE program as a result of the CPE model using the February 2006 medical expenditure forecast. The additional state funding is needed to provide payments to CPE hospitals for the following reasons:

- An update of the Fiscal Year 2007 hold harmless grants based on the October 2006 Medical Assistance Forecast;
- An interim Federal Disproportionate Share Hospital (DSH) settlement payment based on Fiscal Year 2006 CPE hospital costs;
- An interim Federal inpatient settlement payment based on Fiscal Year 2006 CPE hospital claims; and
- An interim hold harmless settlement payment based on actual Fiscal Year 2006 claims.

The October 2006 medical expenditure forecast is used to calculate the impact of the CPE program on inpatient hospital expenditures and includes updated caseload as well as expenditure and policy information. This information will be used to calculate the expected need to fund the Fiscal Year 2007 hold harmless grants.

Narrative Justification and Impact Statement

How contributes to strategic plan:

This proposal will fund the state hold harmless grants for the CPE program and adjust federal and state funding levels for the DSH/UPL. It will also fund the necessary interim settlement payments to CPE providers for Fiscal Year 2006.

This package contributes to the agency's strategic plan by supporting the strategic goal of being a prudent purchaser of health care services.

Performance Measure Detail

Agency Level

Activity: H023 Disproportionate Share Hospital/Proshare	Incremental Changes FY 1	FY 2
No measures linked to package	0.00	0.00

DP Code/Title: M2-WD CPE Program Update

Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H3 080 2005-07 Agency Request 2007 Sup

Reason for change:

Additional state funding is requested for the state hold harmless grants under the CPE program and adjustments to federal funding for DSH. The changes result from updates in the CPE model for more current cost and payment information and the update of the medical expenditure forecast from February 2006 to October 2006. The previous CPE model uses state Fiscal Year 2004 cost and payment information while this update would use state Fiscal Year 2005 information.

Also, additional funding is requested for required interim settlement payments to CPE providers. These settlement payments represent the difference between what the CPE hospitals were originally paid in Fiscal Year 2006 (based on Fiscal Year 2004 cost and payment information) and what the hospitals should have been paid for Fiscal Year 2006 (based on Fiscal Year 2006 cost and payment information).

Impact on clients and services:

There will be no impact on clients and services if additional state funding is received. If state funding is not received, reductions in health care spending will be required.

Impact on other state programs:

No other state programs are impacted by the proposed changes.

Relationship to capital budget:

This package has no impact to the capital budget.

Required changes to existing RCW, WAC, contract, or plan:

No changes to WAC, RCW, contract provisions, or the state plan for medical assistance are needed.

Alternatives explored by agency:

No other reasonable alternatives have been identified.

Budget impacts in future biennia:

The CPE program will continue into future biennia.

Distinction between one-time and ongoing costs:

These are all ongoing costs.

Effects of non-funding:

If additional funding for the CPE program is not obtained, reductions to health care services would be required.

Expenditure Calculations and Assumptions:

This funding request will be updated upon completion of the Medical Assistance October 2006 Forecast, receipt of Fiscal Year 2006 CPE hospital cost information, and the development of new hospital rates based on Fiscal Year 2006 claims.

DP Code/Title: M2-WD CPE Program Update

Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H3 080 2005-07 Agency Request 2007 Sup

Object Detail	FY 1	FY 2	Total
Overall Funding			
N Grants, Benefits & Client Services	0	1,058,000	1,058,000

DSHS Source Code Detail

Overall Funding	FY 1	FY 2	Total
Fund 001-1, General Fund - Basic Account-State			
Sources Title			
0011 General Fund State	0	29,352,000	29,352,000
Total for Fund 001-1	**0**	**29,352,000**	**29,352,000**
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa			
Sources Title			
19TA Title XIX Assistance (FMAP)	0	(28,294,000)	(28,294,000)
Total for Fund 001-C	**0**	**(28,294,000)**	**(28,294,000)**
Total Overall Funding	**0**	**1,058,000**	**1,058,000**

2007 Supplemental
M2-WD- CPE Program Update

Supp 07 CPE/DSH Budget Step
(in thousands)

	2007			
	Total	**State**	**Federal**	
Oct 06 Estimates	**132,244**	**71,227**	**61,017**	
New PHD DSH	55,353	0	55,353	CPE model
New PHD State Only Grant	54,602	54,602	0	CPE model
HMC UPL	11,328	5,664	5,664	CPE model
MH offset	(5,600)	(5,600)	0	CPE model
Federal SFY 06 DSH Settlement	13,561	13,561	0	Federal SFY 06 DSH Settlement Model
Interim Inpatient Federal Cost Settlement	3,000	3,000	0	
Feb 06 Estimates	**131,186**	**41,875**	**89,311**	
New PHD DSH	83,647	0	83,647	Forecast to Budget - Leg Final
New PHD State Only Grant	41,811	41,811	0	Proviso 9
HMC UPL	11,328	5,664	5,664	Proviso 9
MH offset	(5,600)	(5,600)	0	CPE model
2007 Supplemental Step	**1,058**	**29,352**	**(28,294)**	

DP Code/Title: M2-WE Managed Care Federal Audit
Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H3 080 2005-07 Agency Request 2007 Sup

Recommendation Summary Text:

This request is for $877,000 (total funds) and 4.0 FTEs to correct findings in a managed care federal audit.

Fiscal Detail:

Operating Expenditures	FY 1	FY 2	Total
Program 080			
001-1 General Fund - Basic Account-State	0	314,000	314,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	0	563,000	563,000
Total Cost	**0**	**877,000**	**877,000**

Staffing	FY 1	FY 2	Annual Avg
Program 080 FTEs	**0.0**	**4.0**	**2.0**

Package Description:

In a May 2006 federal audit of the Healthy Options (HO) managed-care program, the Centers for Medicare and Medicaid Services (CMS) determined that the Health and Recovery Services Administration (HRSA) does not provide sufficient monitoring of the HO program, primarily due to "staffing that is less than adequate for the efficient administration of the program". As a result, HRSA is requesting $877,000 (total funds) and 4.0 FTEs to remedy this audit finding and to maintain compliance with CMS regulations.

Currently, the External Quality Review Organization (EQRO) validates monitoring of health plans in accordance with the Balanced Budget Act of 1997, which was implemented in August 2003; however, this work does not include analysis of access to care, network adequacy, and comparisons across plans - all recommendations within the CMS audit. Part of this request includes $500,000 to employ a contractor who will provide these additional analyses.

In general, this funding request will help HRSA to comply with the following CMS recommendations:

1. Conduct a comprehensive analysis of quality functions and analysis across the administration (also recommended in a 2004 Joint Legislative Audit and Review Committee (JLARC) report),
2. Provide in-depth analysis of Managed Care Organizations' (MCO) quality standards so that a comparable set of data across all plans can be produced,
3. Develop a process for trending appeal and grievance data reported by the MCOs,
4. Develop the ability to produce management reports that show how quality is strategically used to establish benchmarks and guides the decision making process, and
5. Monitor MCOs' quality assurance and performance improvement programs to ensure that these programs are moving forward and measure up to industry standards and CMS requirements.

Narrative Justification and Impact Statement

How contributes to strategic plan:

In addition to bringing HRSA into compliance with CMS, this package has the potential to improve client access to healthcare, and the quality of that healthcare. As a result of a Governor's directive and GMAP measures focusing on improved quality of care and services, the Health Outcomes Advisory Committee was chartered by the administration to develop a plan to identify common performance measures across agencies. An analysis of the managed care data as well as the fee-for-service data to identify patterns or trends in outcomes related to access is a necessary benchmark to do this work.

DP Code/Title: M2-WE Managed Care Federal Audit

Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H3 080 2005-07 Agency Request 2007 Sup

The JLARC study of 2004 requested the administration develop data reports to predict future public healthcare needs based on trends seen in the data.

The BBA of 1997 requires detailed evaluations of the meaningfulness of healthcare services provided to Medicaid clients enrolled in managed care. Looking at quality programs developed by health plans and comparisons made to other private and Medicaid plans is required. The initial work done by the EQRO documented the process that was in place however, additional analysis is needed to provide documentation that the right outcomes are occurring across managed care programs.

Performance Measure Detail

Program: 080

		Incremental Changes FY 1	FY 2
Activity: H056	**Mandatory Medicaid Program for Children and Families**		
Output Measures			
HB10	Cumulative fiscal year average monthly enrollment of children in MAA programs.	0.00	0.00

Reason for change:

This request is the result of 5/17/2006 CMS audit findings.

Impact on clients and services:

None, other than possible improvements in access to and quality of care.

Impact on other state programs:

None

Relationship to capital budget:

None

Required changes to existing RCW, WAC, contract, or plan:

None

Alternatives explored by agency:

The only alternative is to not implement the recommended changes, which will not satisfy CMS and will result in repeat adverse audit findings.

Budget impacts in future biennia:

All costs are on-going.

Distinction between one-time and ongoing costs:

All costs are ongoing.

Effects of non-funding:

DP Code/Title: M2-WE Managed Care Federal Audit

Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H3 080 2005-07 Agency Request 2007 Sup

Repeat audit findings may lead to a deferral of Federal Financial Participation.

Expenditure Calculations and Assumptions:

Please refer to the model, "2007 Supplemental DP M2WE Managed Care Federal Audit Model.xls".

Object Detail		FY 1	FY 2	Total
Program 080 Objects				
A	Salaries And Wages	0	250,000	250,000
B	Employee Benefits	0	67,000	67,000
C	Personal Service Contracts	0	500,000	500,000
E	Goods And Services	0	56,000	56,000
T	Intra-Agency Reimbursements	0	4,000	4,000
	Total Objects	**0**	**877,000**	**877,000**

DSHS Source Code Detail

Program 080		FY 1	FY 2	Total
Fund 001-1, General Fund - Basic Account-State				
Sources	**Title**			
0011	General Fund State	0	314,000	314,000
	Total for Fund 001-1	**0**	**314,000**	**314,000**
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa				
Sources	**Title**			
19UG	Title XIX Admin (75%)	0	375,000	375,000
19UL	Title XIX Admin (50%)	0	188,000	188,000
	Total for Fund 001-C	**0**	**563,000**	**563,000**
	Total Program 080	**0**	**877,000**	**877,000**

2007 Supplemental
M2-WE-Managed Care Federal Audit

Total Funds Summary	FY07
General Fund State	314,000
General Fund Federal (50%)	188,000
General Fund Federal (75%)	375,000
Total Funds	877,000

Breakdown by Object	
A Salaries	250,000
B Benefits	67,000
C Contracts	500,000
E Goods & Services	37,000
ED Leases	19,000
G Travel	0
T ISSD:TZ	4,000
	877,000

Object C	Contractor Fee >	500,000
General Fund State	25%	125,000
General Fund Federal	75%	375,000

Total FTEs Needed	FY07
	4.0

DP Code/Title: M2-WG AEM Questioned Costs - OIG Audit

Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H3 080 2005-07 Agency Request 2007 Sup

Recommendation Summary Text:

The Health & Recovery Services Administration (HRSA) requests $17,910,000 in General Fund - State for potential audit repayment to the Centers for Medicare and Medicaid Services (CMS) due to anticipated findings related to the Alien Emergency Medical (AEM) Program.

Fiscal Detail:

Operating Expenditures

	FY 1	FY 2	Total
Overall Funding			
001-1 General Fund - Basic Account-State	0	17,910,000	17,910,000
Total Cost	**0**	**17,910,000**	**17,910,000**

Staffing

Package Description:

The AEM program provides undocumented aliens and legal aliens with residency less than 5 years with access to emergency-only medical care. The costs of providing qualified emergency care are shared between the State of Washington and the Federal government. The primary purpose of this program is to relieve local hospitals of the financial burden of providing such services to aliens who are often uninsured or under-insured.

CMS and the Office of the Inspector General (OIG) are currently auditing the AEM program for Fiscal Year 2003, Fiscal Year 2004, and Calendar Year 2005 to ensure that Federal funding received by the State within these years were used only for emergency care. Based on HRSA's preliminary analysis, it is estimated that the State of Washington will have to reimburse CMS up to $17.9 million for the AEM medical services provided in these years that were non-emergent or that cannot be proven to be emergent. The OIG audit is expected to be completed by December 2006.

Types of Services not considered Emergent:
- Dialysis and treatment for chronic kidney disease
- Prescription drugs
- Treatment for other chronic conditions, i.e. liver disease, congestive heart failure
- Postpartum services for undocumented women

Narrative Justification and Impact Statement

How contributes to strategic plan:

This package contributes to the agency's strategic plan by making a more prudent purchaser of medical services.

Performance Measure Detail

Agency Level

Activity: H056 Mandatory Medicaid Program for Children and Families	Incremental Changes FY 1	FY 2
Output Measures		
HB10 Cumulative fiscal year average monthly enrollment of children in MAA programs.	0.00	0.00

DP Code/Title: M2-WG AEM Questioned Costs - OIG Audit

Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H3 080 2005-07 Agency Request 2007 Sup

Reason for change:

This request is the result of anticipated audit findings that will show that Federal funding was used to pay for AEM medical services that were either non-emergent or that could not be proven to have been related to an emergent condition. The administration has already enacted processes will help to mitigate the possibility of using Federal funding for non-emergent medical treatment for AEM clients.

Impact on clients and services:

No impact is expected

Impact on other state programs:

No impact is expected on other programs.

Relationship to capital budget:

This request has no relationship to the capital budget.

Required changes to existing RCW, WAC, contract, or plan:

No changes are required.

Alternatives explored by agency:

No other reasonable alternatives have been identified.

Budget impacts in future biennia:

Since this funding is being requested to address specific audit events, there is no impact expected for future biennia.

Distinction between one-time and ongoing costs:

This funding is a one-time only cost.

Effects of non-funding:

If this funding is not provided, HRSA must still meet any financial obligation that is determined through the audits. If such financial obligations are not met, CMS may elect to defer future funding for the AEM program.

Expenditure Calculations and Assumptions:

To estimate the amount of this request, the administration analyzed actual AEM medical claims to determine the emergent status of each claim. It was determined that in each of the audited years, Federal funding was used in non-emergent or questionably-emergent conditions. Therefore, the State funding is needed to reimburse the Federal government back for these claims. The actual amount needed will be clearer upon completion of the OIG audit in December 2006.

Please review the the cost model , "2007 Supplemental DP M2WG AEM Questioned Costs - OIG Audit Model.xls."

DP Code/Title: M2-WG AEM Questioned Costs - OIG Audit

Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H3 080 2005-07 Agency Request 2007 Sup

Object Detail	FY 1	FY 2	Total
Overall Funding			
N Grants, Benefits & Client Services	0	17,910,000	17,910,000

DSHS Source Code Detail

Overall Funding	FY 1	FY 2	Total
Fund 001-1, General Fund - Basic Account-State			
Sources Title			
0011 General Fund State	0	17,910,000	17,910,000
Total for Fund 001-1	**0**	**17,910,000**	**17,910,000**
Total Overall Funding	**0**	**17,910,000**	**17,910,000**

2007 Supplemental
M2-WG -AEM Questioned Costs-OIG Audit
Alien Emergency Program

Audit Period	7/1/2002 - 6/30/2003 SFY 2003	7/1/2003 - 6/30/2004 SFY 2004	1/1/2005 - 12/31/2005 CY 2005
Original Methodology			
Total AEM	25,896,694.08	21,860,178.95	29,979,463.12
State	12,948,347.04	10,930,089.48	16,488,704.72
Federal	12,948,347.04	10,930,089.48	14,989,731.56
Current Methodology pending Audit			
AEM Total Computable	25,896,694.08	21,860,178.95	29,979,463.12
ER Revenue - Qualifies for Match	7,036,779.20	6,836,227.97	10,764,373.07
ER Diagnosis - Qualifies for Match	4,845,934.39	5,251,518.44	6,871,384.52
Total Services - Qualifies for Match	11,882,713.59	12,087,746.41	17,635,757.59
State Only Services	14,013,980.49	9,772,432.54	12,343,705.53
State Portion Covered Services	5,941,356.80	6,043,873.21	8,817,878.80
Federal Portion Covered Services	5,941,356.80	6,043,873.21	8,817,878.80
State Portion - Original Methodology	12,948,347.04	10,930,089.48	16,488,704.72
State Portion Total - Post Audit	19,955,337.29	15,816,305.75	21,161,584.33
Addition State $$ Required	7,006,990.25	4,886,216.27	4,672,879.61
State Portion Postpartum Audit - Final			1,344,071.00

DP Code/Title: PL-VS DRA - Citizenship Verification
Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H3 080 2005-07 Agency Request 2007 Sup

Recommendation Summary Text:

The Health and Recovery Services Administration (HRSA) requests $2,652,000 (total funds) and 38.2 FTEs to implement new tasks needed to comply with new federal citizenship verification rules as required by the Deficit Reduction Act of 2005 (DRA 2005). [Public Law 109-171].

Fiscal Detail:

Operating Expenditures	FY 1	FY 2	Total
Overall Funding			
001-1 General Fund - Basic Account-State	0	1,327,000	1,327,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	0	1,325,000	1,325,000
Total Cost	**0**	**2,652,000**	**2,652,000**

Staffing	FY 1	FY 2	Annual Avg
Agency FTEs	**0.0**	**38.2**	**19.1**

Package Description:

Effective July 1, 2006, Section 6036 of the DRA 2005 requires the Department of Social and Health Services (DSHS) to document citizenship of all individuals presently covered under Washington's Medicaid program. Current HRSA estimates show that 38.2 FTEs are needed to comply with this requirement during Fiscal Year 2007.

New applicants seeking Medicaid coverage must provide documentation of both identity and citizenship at initial application. The same documentation is required of individuals receiving Medicaid prior to enactment of the DRA 2005 when their Medicaid eligibility is reviewed and/or re-determined.

Existing DSHS policies do not require additional documentation from a person who affirms United States citizenship as part of their signed Medicaid application, so long as there are no grounds for questioning the applicant's citizenship declaration.

The DRA 2005 excludes Supplemental Security Insurance (SSI) recipients from the documentation requirements because citizenship status information is captured by the Social Security Administration when individuals apply for social security benefits and that information is sent to the state. The Centers for Medicare and Medicaid Services (CMS) has stated that Medicaid eligible Foster Care children are also exempt.

To fully comply with the new law, DSHS must request citizenship documentation as part of each application or review for any individual who has not previously documented their citizenship. Staff must track client responses to requests for documentation, scan documents provided by clients into an electronic case file, and terminate Medicaid coverage if there is not sufficient documentation obtained within a reasonable period of time. In addition, under state rules, DSHS must pay all costs incurred by a client to meet this federal requirement, primarily the costs of procuring out-of-state birth documentation.

During Fiscal Year 2007, citizenship documentation is being obtained, compiled and recorded for persons in the existing Medicaid caseload. The estimated costs for this workload are identified in this 2007 Supplemental Budget request. Ongoing (post-Fiscal Year 2007) documentation efforts will be required only for new Medicaid applicants.

Narrative Justification and Impact Statement

How contributes to strategic plan:

DP Code/Title: PL-VS DRA - Citizenship Verification

Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H3 080 2005-07 Agency Request 2007 Sup

HRSA has a basic goal of assuring access to quality health care. The new federal law requires DSHS to assess and document the citizenship status of all existing Medicaid clients and any new applicants for Medicaid coverage. The funding requested in this decision package will provide the resources required by DSHS to comply with the new federal law. Lack of compliance could result in a loss of Medicaid eligibility for clients who presently have Medicaid coverage, and/or reduce federal financial participation (FFP) in the State's Medical Assistance programs, either of which would reduce access to health care.

The proposed performance measure for this activity is periodic reporting of the number of individuals assisted by the department in obtaining documentation that meets the new federal requirements.

Performance Measure Detail

Agency Level

Activity: H056 Mandatory Medicaid Program for Children and Families	Incremental Changes FY 1	FY 2
Output Measures		
HB10 Cumulative fiscal year average monthly enrollment of children in MAA programs.	0.00	0.00

Activity: H057 Medicaid for Optional Children	Incremental Changes FY 1	FY 2
Output Measures		
HB10 Cumulative fiscal year average monthly enrollment of children in MAA programs.	0.00	0.00

Reason for change:

The DRA 2005 requires all states to acquire an approved level of documentation of citizenship for each individual receiving Medicaid coverage, and that states meet that obligation as a condition for receiving FFP for medical services provided through Washington's Medicaid program.

Impact on clients and services:

Implementation of the DRA 2005 citizenship verification requirements will impact all existing Medicaid clients who are not specifically exempted from the requirement, as well as new persons applying for Medicaid coverage in the future. These populations will be required to supply creditable documentation of both identification and citizenship which may be a complicated task for certain persons who may have diminished cognitive and/or physical abilities.

Impact on other state programs:

This new federal requirement will have an impact on Department of Health (DOH) vital statistics through increased numbers of requests for birth verifications and documentation by other states and individuals. The Department of Licensing may also experience impacts as adult Medicaid applicants and recipients required to provide documentation of their identity make new applications for drivers' licenses and state identification cards.

Impacts on the Aging and Disability Services Administration (ADSA) are unknown at this time; specifically, in relation to long-term care waiver clients who are not exempt from the DRA 2005 requirements (about 6,000 clients) and for whom ADSA manages eligibility applications. Experience gained during Fiscal Year 2007 will be used to update the estimated impacts for ADSA during the next budget cycle.

Relationship to capital budget:

DP Code/Title: PL-VS DRA - Citizenship Verification
Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H3 080 2005-07 Agency Request 2007 Sup

None

Required changes to existing RCW, WAC, contract, or plan:

WAC 388-490-0005 - "Verification", must be changed to support the federal citizenship documentation requirement.

Alternatives explored by agency:

The impacts of not complying with the new citizenship verification law were considered and determined not to be a viable option. States that fail to meet the federal verification requirements will lose federal Medicaid funding.

Contracting for the verification work related to the existing Medicaid eligible population was also considered but given the extremely short timeframes imposed under the law (July1, 2006 implementation). It was decided that too little time is available to procure needed services. In addition, few entities exist with adequate experience and expertise to successfully complete the needed verification reviews and documentation. The companies that have this ability are likely to be in great demand and of considerable expense.

DSHS believes that a relatively small, well-trained, and experienced staff that is focused on compliance-related work, can more quickly and effectively address the task of documenting citizenship for the existing impacted Medicaid caseload (about 831,000 individuals). Obtaining documentation will be time intensive and require working with recipients and other states on a case-by-case basis to acquire the necessary papers and information. "In-house" oversight will ensure that the new federal requirement is adequately implemented thus avoiding reductions in FFP.

Budget impacts in future biennia:

Most of the costs incurred in Fiscal Year 2007 are not expected to carry into the new biennium. Much of the required funding in Fiscal Year 2007 is to support citizenship verification of existing Medicaid clients. After Fiscal Year 2007, fewer staff will be needed to manage new, first-time applicants only. The smaller staff and related costs will continue into future periods so long as the citizenship documentation requirements under the DRA 2005 are in effect.

Distinction between one-time and ongoing costs:

The first year expenditures associated with equipment purchases for new staff will be one-time costs. As aforementioned, after Fiscal Year 2007, staffing will be reduced since the workload will decrease. The expenditures associated with the FTEs that remain after Fiscal Year 2007 will be on-going costs.

Effects of non-funding:

If funding is not approved, the state would likely be out of compliance with the requirements of the federal law and thereby subject to loss of FFP.

Expenditure Calculations and Assumptions:

See attachment - DP PLVS DRA - Citizenship Verification Model.xls

At present, HRSA effectively has two month's experience in meeting the federal DRA 2005 requirements. HRSA will continue to review the processes and policies currently in place while seeking to improve performance. Estimates of the project needs may change if evaluation of the work indicate a need for adjustments to resources and related funding. This request reflects HRSA's best projection of needed resources as of September 2006.

DP Code/Title: PL-VS DRA - Citizenship Verification

Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H3 080 2005-07 Agency Request 2007 Sup

Object Detail		FY 1	FY 2	Total
Overall Funding				
A	Salaries And Wages	0	1,181,000	1,181,000
B	Employee Benefits	0	509,000	509,000
E	Goods And Services	0	924,000	924,000
T	Intra-Agency Reimbursements	0	38,000	38,000
	Total Objects	**0**	**2,652,000**	**2,652,000**

DSHS Source Code Detail

Overall Funding		FY 1	FY 2	Total
Fund 001-1, General Fund - Basic Account-State				
Sources	**Title**			
0011	General Fund State	0	1,327,000	1,327,000
	Total for Fund 001-1	**0**	**1,327,000**	**1,327,000**
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa				
Sources	**Title**			
19UL	Title XIX Admin (50%)	0	1,325,000	1,325,000
	Total for Fund 001-C	**0**	**1,325,000**	**1,325,000**
	Total Overall Funding	**0**	**2,652,000**	**2,652,000**

2007 Supplemental
PL-VS-DRA-Citizenship Verfication

Workload-to-FTE Calculation

Staffing Estimate Summary	SFY 2007				SFY 2008 & Beyond			
	FTES	Total	State	Federal	FTES	Total	State	Federal
Health and Recovery Services Administration - Central Verification Unit								
HRSA FTE Resource Need (Updated 9/1/06)								
WMS 2 - Project Manager	1.0	98,000	49,000	49,000	0.0	0	0	0
Medical Assistance Specialist 5 - Section Chiefs	1.0	80,000	40,000	40,000	0.0	0	0	0
Medical Assistance Specialist 3	6.7	470,000	235,000	235,000	0.8	50,000	25,000	25,000
Medical Assistance Specialist 1	23.3	1,469,000	735,000	734,000	9.2	526,000	263,000	263,000
Office Administration Specialist 3	6.1	375,000	188,000	187,000	0.0	0	0	0
Total - HRSA Staffing	**38.2**	**2,492,000**	**1,247,000**	**1,245,000**	**10.0**	**576,000**	**288,000**	**288,000**
Hiring History and Proposed Hiring Plan >								
Economic Services Administration - Division of								
Financial Services Specialist 3	25.2	1,760,000	880,000	880,000	25.2	1,609,000	805,000	804,000
Office Administration Specialist 3	2.6	161,000	81,000	80,000	2.6	161,000	81,000	80,000
Total - ESA Staffing	**27.8**	**1,921,000**	**961,000**	**960,000**	**27.8**	**1,770,000**	**885,000**	**885,000**
Systems Support (Scanners & Database Development)		**44,000**	**22,000**	**22,000**				
Mailing Costs		**116,000**	**58,000**	**58,000**		**69,000**	**35,000**	**34,000**
DSHS Total	**66.0**	**4,573,000**	**2,288,000**	**2,285,000**	**37.8**	**2,415,000**	**1,208,000**	**1,207,000**

DP Code/Title: PL-WF Vaccine Gap Coverage
Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H3 080 2005-07 Agency Request 2007 Sup

Recommendation Summary Text:

The request is for $12,403,000 for Health and Recovery Services Administration to cover the expenditures for two new vaccines, rotavirus and human papilloma virus (HPV), until they become universal under the Department of Health's Vaccines for Children Program (VFC).

Fiscal Detail:

Operating Expenditures	FY 1	FY 2	Total
Overall Funding			
001-1 General Fund - Basic Account-State	0	2,853,000	2,853,000
001-2 General Fund - Basic Account-Federal	0	164,000	164,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	0	6,009,000	6,009,000
760-1 Health Services Account-State	0	3,377,000	3,377,000
Total Cost	**0**	**12,403,000**	**12,403,000**

Staffing

Package Description:

The funding is to support the expenses during the period of time in which there is a gap in coverage for SFY 2007, after which the vaccines will be available through the universal vaccine system for Medicaid children and adolescents and expenditures will be covered by Department of Health (DOH).

The Rotavirus vaccine covers Medicaid clients under 1 year of age and includes 3 doses given at 2- months, 4-months, and 6-months of age. The period of coverage starts in November 2006 through June 2006.

The HPV vaccine covers Medicaid clients 11 through 20 years of age and includes 3 doses. The period of coverage starts January 2007 through June 2006.

Narrative Justification and Impact Statement

How contributes to strategic plan:

The package contributes to the Governor's goals to support and promote the health of children, and increase access to health care services for children through the universal childhood vaccine program. Immunizations improve the health of the people of Washington state by preventing disease and protecting the public from the health consequences associated with vaccine preventable diseases.

1) HPV causes approximately 70% of all cervical cancer and over 50% of sexually active women are infected with HPV during their lifetime. Gardasil, the recently licensed HPV vaccine, has been shown to be nearly 100 percent effective in preventing precancerous cervical lesions, precancerous vaginal and vulvar lesions, and genital warts caused by infection with the HPV types against which the vaccine is directed.
2) Rotavirus is the most common cause of infant diarrhea in the U.S. Almost all children will contract rotavirus during their lifetime. About 1 in 40 children who get the disease will require hospitalization. Rotateque, the recently licensed rotavirus vaccine, prevents 98% of severe rotavirus disease and studies indicate a reduction of hospitalizations by 96%.

DP Code/Title: PL-WF Vaccine Gap Coverage

Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H3 080 2005-07 Agency Request 2007 Sup

Performance Measure Detail

Agency Level

		Incremental Changes FY 1	FY 2
Activity: H056 Mandatory Medicaid Program for Children and Families			
Outcome Measures			
HB20	Immunization rate for two-year-olds enrolled in Medicaid managed care health plans.	0.00%	0.00%
Activity: H057 Medicaid for Optional Children		**Incremental Changes FY 1**	**FY 2**
Outcome Measures			
HB20	Immunization rate for two-year-olds enrolled in Medicaid managed care health plans.	0.00%	0.00%

Reason for change:

1) The Rotavirus vaccine was routinely recommended for all children in March of 2006. It was added to the Vaccines for Children Program and included on the CDC contract in April of 2006.
2) The Human papilloma virus vaccine was licensed by the Food and Drug Administration in June of 2006. Provisional recommendations were made in June, and are expected to be finalized through publication in the Morbidity and Mortality Weekly Report (MMWR) in the fall of 2006. Human papilloma virus vaccine was added to the Vaccines for Children Program in June and is expected to be available on the CDC contract in October 2006.

Impact on clients and services:

By providing the recommended vaccines for children, the impact of the change on clients will be a decrease in the incidents of vaccine preventable diseases.

Impact on other state programs:

None

Relationship to capital budget:

None

Required changes to existing RCW, WAC, contract, or plan:

None

Alternatives explored by agency:

The agency explored an alternative to cover different age groups. However, the recommended alternative was chosen in accordance with the Early and Period Screening, Diagnostic, and Treatment (EPSDT) benefit, Medicaid's comprehensive and preventive child health program for individuals under the age of 21.

Budget impacts in future biennia:

The rotavirus vaccine is expected to be universally available in future biennia through DOH. The HPV vaccine will also be covered through DOH for children up to 18 years of age.

DP Code/Title: PL-WF Vaccine Gap Coverage
Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H3 080 2005-07 Agency Request 2007 Sup

Distinction between one-time and ongoing costs:

These costs will be absorbed by the administration for SFY 2007.

Effects of non-funding:

Failure to fund this coverage up to July 2007 would allow individuals within the targeted population to continue to be susceptible to these preventable infections. By preventing infection, the administration can lower the costs associated with hospital visits and treatment as a result of these two diseases.

Expenditure Calculations and Assumptions:

Please refer to the model, "2007 Supplemental DP PLWF Vaccine Gap Coverage Model (20060925 Update).xls"

Object Detail	FY 1	FY 2	Total
Overall Funding			
N Grants, Benefits & Client Services	0	12,403,000	12,403,000

DSHS Source Code Detail

Overall Funding	FY 1	FY 2	Total
Fund 001-1, General Fund - Basic Account-State			
Sources Title			
0011 General Fund State	0	2,853,000	2,853,000
Total for Fund 001-1	**0**	**2,853,000**	**2,853,000**
Fund 001-2, General Fund - Basic Account-Federal			
Sources Title			
566B Refugee & Entrant Assist-St Admin'd Prog(D)(100%)	0	6,000	6,000
767H Children's Health Ins Prog (CHIP)	0	158,000	158,000
Total for Fund 001-2	**0**	**164,000**	**164,000**
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa			
Sources Title			
19TA Title XIX Assistance (FMAP)	0	6,009,000	6,009,000
Total for Fund 001-C	**0**	**6,009,000**	**6,009,000**
Fund 760-1, Health Services Account-State			
Sources Title			
7601 Health Services Account	0	3,377,000	3,377,000
Total for Fund 760-1	**0**	**3,377,000**	**3,377,000**
Total Overall Funding	**0**	**12,403,000**	**12,403,000**

2007 Supplemental
PL-WF-Vaccine Gap Coverage

Activity Breakdown for Rotavirus

Count of PICCODE	aCTIVITY	Program Index											
	H056						H057		H058		H060	H089	Grand Total
Age	FOS	H1212	H1215	H1235	H1255	H1285	H1262	H1265	H1335	H1355	H1965	H1862	
0	327	7234	9	60	193	2	15748	9	4	8	1	59	23654
Grand Total	327	7234	9	60	193	2	15748	9	4	8	1	59	23654

		1.38%	30.58%	0.04%	0.25%	0.82%	0.01%	66.58%	0.04%	0.02%	0.03%	0.00%	0.25%
$	2,598,652	$ 35,925	$ 794,734	$ 989	$ 6,592	$ 21,203	$ 220	$ 1,730,091	$ 989	$ 439	$ 879	$ 110	$ 6,482
Activity		H056	H056	H056	H056	H056	H056	H057	H057	H058	H058	H060	H089
Budget Unit		X50	X50	X50	X50	X50	X50	X50	X50	X51	X51	X52	X58
		H056 / X50	H056 / X50	H056 / X50	H056 / X50	H056 / X50	H056 / X50	H057 / X50	H057 / X50	H058 / X51	H058 / X51	H060 / X52	H089 / X58

	H056 / X50	H057 / X50	H058 / X51	H060 / X52	H089 / X58
$ 2,598,652	$ 859,662	$ 1,731,080	$ 1,318	$ 110	$ 6,482
	GF-S	HSA	GF-S	GF-S	HSA

2007 Supplemental
PL-WF-Vaccine Gap Coverage

Activity Breakdown for HPV

Count of PICCODE	aCTIVITY	Program Index											
	H056											H057	
Age	ADT	FOS	H1212	H1215	H1235	H1255	H1272	H1285	H1675	H1677	H1725	H1262	H1265
11	88	485	5,089	4		700					3	9,995	242
12	109	694	7,402	5		1,005			1		3	14,657	384
13	119	737	7,351	15		1,100	1		5		3	14,441	379
14	107	749	7,329	9		1,113	3		90	3	2	14,709	372
15	111	801	7,234	8		1,077	32		667	33	1	14,254	393
16	131	722	6,866	9		1,109	100		1,884	122	3	13,694	409
17	104	674	6,305	6	2	1,086	222		3,855	275	4	13,100	362
18	74	483	3,837	13		1,159	466		5,374	534	24	12,757	319
19	18	157	2,355	6	3	1,413	1,087		6,756	879	39	5,100	105
20	6	37	2,875	9		1,476	1,386	1	7,862	1,578	55	77	
Grand Total	867	5,539	56,643	84	5	11,238	3,297	1	26,494	3,424	137	112,784	2,965

	0.37%	2.38%	24.30%	0.04%	0.00%	4.82%	1.41%	0.00%	11.37%	1.47%	0.06%	48.39%	1.27%
$ 9,802,761	$ 36,462	$ 232,942	$ 2,382,120	$ 3,533	$ 210	$ 472,614	$ 138,655	$ 42	$ 1,114,204	$ 143,996	$ 5,762	######	$ 124,693
Activity	H056	H056	H056	H056	H056	H056	H056	H056	H056	H056	H056	H057	H057
Budget Unit	X50	X50	X50	X50	X50	X50	X50	X50	X50	X50	J90	X50	X50
	H056 / X50	H056 / X50	H056 / X50	H056 / X50	H056 / X50	H056 / X50	H056 / X50	H056 / X50	H056 / X50	H056 / X50	H056 / J90	H057 / X5	H057 / X50

	H056 / X50	H056 / J90	H057 / X50	H058 / X51	H060 / X52	H067 / X52	H089 / X50	H089 / X58
$ 9,802,761	$ 4,524,778	$ 5,762	$ 4,867,821	$ 4,458	$ 163,678	$ 42	$ -	$ 236,223
	GF-S							

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Both Vaccine Coverages Will Occur After Increase in FMAP to 50.12% for TXIX & 65.08% for TXXI

Total	H056 / X50	H056 / J90	H057 / X50	H058 / X51	H060 / X52	H067 / X52	H089 / X58	Total
	$ 5,384,441	$ 5,762	$ 6,598,900	$ 5,776	$ 163,788	$ 42	$ 242,705	**$ 12,401,413**

TRUE

State %	49.88%	0.00%	49.88%	49.88%	100.00%	100.00%	34.92%	
Fed - TXIX %	50.12%	0.00%	50.12%	50.12%	0.00%	0.00%	0.00%	
Fed - TXXI %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	65.08%	
Fed - Refugee %	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
State	$ 2,685,759	$ -	$ 3,291,532	$ 2,881	$ 163,788	$ 42	$ 84,752	$ 6,228,754
Fed - TXIX	$ 2,698,682	$ -	$ 3,307,369	$ 2,895	$ -	$ -	$ -	$ 6,008,946
Fed - TXXI	$ -	$ -	$ -	$ -	$ -	$ -	$ 157,952	$ 157,952
Fed - Refugee	$ -	$ 5,762	$ -	$ -	$ -	$ -	$ -	$ 5,762

Rounded

State	$ 2,686,000	$ -	$ -	$ 3,000	$ 164,000	$ -	$ -	$ 2,853,000
HSA	$ -	$ -	$ 3,292,000	$ -	$ -	$ -	$ 85,000	$ 3,377,000
Fed - TXIX	$ 2,699,000	$ -	$ 3,307,000	$ 3,000	$ -	$ -	$ -	$ 6,009,000
Fed - TXXI	$ -	$ -	$ -	$ -	$ -	$ -	$ 158,000	$ 158,000
Fed - Refugee	$ -	$ 6,000	$ -	$ -	$ -	$ -	$ -	$ 6,000
	$ 5,385,000	$ 6,000	$ 6,599,000	$ 6,000	$ 164,000	$ -	$ 243,000	$ 12,403,000

2007 Supplemental
PL-WF-Vaccine Gap Coverage

H058	H060					H067	H089			Grand Total
H1355	H1288	H1925	H1965	H2125	H2145	H1295	H1277	H1862	H1865	
5	2		332				1	419		17,365
8	4		558					584		25,414
7	4		537					602		25,301
16	6		489				5	632	1	25,635
12	6		477				20	556		25,682
18	6	2	459				69	580	1	26,184
13	7	3	376				116	569		27,079
7	8	5	140		6		220	440		25,866
9	11	14		95	34		266	159		18,506
11	3	20		175	113	1	372	5		16,062
106	57	44	3,368	270	153	1	1,069	4,546	2	233,094

0.05%	0.02%	0.02%	1.44%	0.12%	0.07%	0.00%	0.46%	1.95%	0.00%
$ 4,458	$ 2,397	$ 1,850	$ 141,641	$ 11,355	$ 6,434	$ 42	$ 44,957	$ 191,182	$ 84
H058	H060	H060	H060	H060	H060	H067	H089	H089	H089
X51	X52	X52	X52	X52	X52	X52	X58	X58	X58
H058 / X51	H060 / X52	H060 / X52	H060 / X52	H060 / X52	H060 / X52	H067 / X52	H089 / X58	H089 / X58	H089 / X58